(Please scan this QR Code to view this Prospectus)

PROSPECTUS
Dated: February 9, 2024
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

JANA SMALL FINANCE BANK LIMITED

Corporate Identity Number: U65923KA2006PLC040028

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
The Fairway Business Park, #10/1, 11/2, 12/2B, off Domlur, Koramangala Inner Ring Road, Next to EGL, Challaghatta, Bengaluru 560 071, Karnataka, India	Lakshmi R N *Company Secretary and Compliance Officer*	**E-mail:** investor.grievance@janabank.com **Tel:** +91 80 4602 0100	www.janabank.com

OUR PROMOTERS: JANA CAPITAL LIMITED AND JANA HOLDINGS LIMITED

DETAILS OF THE OFFER TO PUBLIC

TYPE	FRESH ISSUE (IN ₹ MILLION)	OFFER FOR SALE SIZE (BY NUMBER OF SHARES OR BY AMOUNT IN ₹ MILLION)	TOTAL OFFER SIZE (IN ₹ MILLION)	ELIGIBILITY AND SHARE RESERVATION AMONG QIBS, NIBS, RIBS AND ELIGIBLE EMPLOYEES
Fresh Issue and Offer for Sale	11,159,420$# Equity Shares of face value of ₹10 each aggregating to ₹ 4,620#* million	2,608,629# Equity Shares of face value of ₹10 each aggregating to ₹ 1,079.98# million	13,768,049#$ Equity Shares of face value of ₹10 each aggregating to ₹ 5,699.98# million	The Offer was made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") as our Bank fulfils the requirements under Regulation 6(1) of the SEBI ICDR Regulations. For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*" on page 525. For details in relation to share reservation among QIBs, RIBs, NIBs and Eligible Employees, see "*Offer Structure*" on page 545.

#*Subject to finalisation of Basis of Allotment*

$*This includes 326,086 Equity Shares aggregating to ₹135.00 million to Eligible Employees who submitted Bids in the Employee Reservation Portion.*

Our Bank, in consultation with the Book Running Lead Managers ("BRLMs**"), undertook a private placement of (i) 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each aggregating to ₹ 121.54 million ("**Pre-IPO CCPS Placement**"); and (ii) 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 1,009.99 million ("**Pre-IPO Equity Placement**", and together with Pre-IPO CCPS Placement, the "**Pre-IPO Placement**"). The size of the Fresh Issue has been adjusted to ₹ 4,620.00 million.*

Our Bank had intimated the subscribers to the Pre-IPO Placement that our Bank is contemplating the Offer and that there is no guarantee that our Bank may proceed with the Offer, or that the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges, and the investment is being done solely at their own risk.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND THE WEIGHTED AVERAGE COST OF ACQUISITION

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)^
Client Rosehill Limited	Investor Selling Shareholder	906,277# Equity Shares of face value of ₹10 each aggregating to ₹ 375.20# million	366.43
CVCIGP II Employee Rosehill Limited	Investor Selling Shareholder	929,656# Equity Shares of face value of ₹10 each	363.61

		aggregating to ₹ 384.88# million	
Global Impact Funds, S.C.A., SICAR, sub-fund Global Financial Inclusion Fund	Investor Selling Shareholder	141,285# Equity Shares of face value of ₹10 each aggregating to ₹ 58.49# million	800.00
Growth Partnership II Ajay Tandon Co-Investment Trust	Investor Selling Shareholder	413# Equity Shares of face value of ₹10 each aggregating to ₹ 0.17# million	359.70
Growth Partnership II Siva Shankar Co-Investment Trust	Investor Selling Shareholder	998# Equity Shares of face value of ₹10 each aggregating to ₹ 0.41# million	362.76
Hero Enterprise Partner Ventures	Investor Selling Shareholder	630,000# Equity Shares of face value of ₹10 each aggregating to ₹ 260.82# million	141.14

Subject to finalisation of Basis of Allotment

^*As certified by JHS & Associates LLP, Chartered Accountants pursuant to the certificate dated February 9, 2024*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Bank, there has been no formal market for the Equity Shares of our Bank. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price as determined in accordance with the SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 186 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors were required to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors were required to rely on their own examination of our Bank and the Offer, including the risks involved. The Equity Shares offered in the Offer were not recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor did SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors was invited to "*Risk Factors*" on page 37.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Bank, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Bank and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms the statements specifically made or confirmed by such Selling Shareholders in this Prospectus to the extent of information specifically pertaining to itself and the respective portion of its Offered Shares in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. However, no Selling Shareholder assumes any responsibility for any other statements, including without limitation, any and all statements made by or relating to our Bank or any other Selling Shareholder or person(s) in this Prospectus.

LISTING

The Equity Shares issued through the Red Herring Prospectus and this Prospectus are proposed to be listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" and together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, the Designated Stock Exchange shall be BSE.

BOOK RUNNING LEAD MANAGERS

NAME OF BRLM AND LOGO	CONTACT PERSON	E-MAIL AND TELEPHONE
Axis Capital Limited	Simran Gadh / Sagar Jatakiya	**E-mail**: jana.ipo@axiscap.in **Tel**: +91 22 4325 2183
ICICI Securities Limited	Ashik Joisar / Harsh Thakkar	**Email**: jana.ipo@icicisecurities.com **Tel**: +91 22 6807 7100

SBI Capital Markets Limited	Vaibhav Shah	**E-mail**: jana.ipo@sbicaps.com **Tel**: +91 22 4006 9807
REGISTRAR TO THE OFFER		
NAME OF THE REGISTRAR	**CONTACT PERSON**	**E-MAIL AND TELEPHONE**
KFin Technologies Limited (*formerly known as KFin Technologies Private Limited*)	M Murali Krishna	**E-mail**: jana.ipo@kfintech.com **Tel**: +91 40 6716 2222

BID/ OFFER PERIOD					
ANCHOR INVESTOR BIDDING DATE	Tuesday, February 6, 2024	**BID/ OFFER OPENED ON**	Wednesday, February 7, 2024	**BID/ OFFER CLOSED ON**	Friday, February 9, 2024

Jana Small Finance Bank
A SCHEDULED COMMERCIAL BANK

JANA SMALL FINANCE BANK LIMITED

Our Bank was incorporated as 'Janalakshmi Financial Services Private Limited' on July 24, 2006 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Karnataka at Bengaluru ("**RoC**"). Janalakshmi Financial Services Private Limited, was granted a certificate of registration dated March 4, 2008 by Reserve Bank of India ("**RBI**") to commence the business of non-banking financial institution without accepting public deposits, and was converted into an NBFC-MFI with effect from September 5, 2013. Subsequently, pursuant to a Board resolution dated June 1, 2015 and a Shareholders' resolution dated June 29, 2015, our Bank was converted into a public limited company under the Companies Act, 1956 with effect from August 10, 2015, and the name of our Bank was changed from 'Janalakshmi Financial Services Private Limited' to 'Janalakshmi Financial Services Limited', and a fresh certificate of incorporation of our Bank was issued by the RoC under such name. Janalakshmi Financial Services Limited, was granted a fresh certificate of registration as a non-banking financial institution without accepting public deposits dated September 18, 2015 pursuant to such name change. Our Bank, then known as Janalakshmi Financial Services Limited, was granted an in-principle approval by the RBI to convert into a small finance bank ("**SFB**") on October 7, 2015. Thereafter, our Bank received the final approval, dated April 28, 2017 from the RBI, to establish and carry on business as an SFB. Pursuant to resolutions passed by the Board and Shareholders on May 30, 2017 and January 12, 2018 respectively, the name of our Bank was changed from 'Janalakshmi Financial Services Limited' to 'Jana Small Finance Bank Limited', and a fresh certificate of incorporation dated January 29, 2018 was issued by the RoC consequent upon the change of name. Our Bank commenced its business as an SFB with effect from March 28, 2018 and its name was included in the second schedule to the RBI Act pursuant to a notification dated July 16, 2019 issued by the RBI. For further details of changes in name and changes in the registered office of the Bank, see "*History and Certain Corporate Matters*" on page 334.

Registered and Corporate Office: The Fairway Business Park, #10/1, 11/2, 12/2B, off Domlur, Koramangala Inner Ring Road, Next to EGL, Challaghatta, Bengaluru 560 071, Karnataka, India
Tel: +91 80 4602 0100
Website: www.janabank.com; **Contact Person**: Lakshmi R N, Company Secretary and Compliance Officer; **E-mail**: investor.grievance@janabank.com
Corporate Identity Number: U65923KA2006PLC040028

OUR PROMOTERS: JANA CAPITAL LIMITED AND JANA HOLDINGS LIMITED

INITIAL PUBLIC OFFER OF 13,768,049# EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF JANA SMALL FINANCE BANK LIMITED ("BANK" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 414 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 404 PER EQUITY SHARE) AGGREGATING TO ₹ 5,699.98# MILLION ("OFFER") COMPRISING OF A FRESH ISSUE OF 11,159,420# EQUITY SHARES AGGREGATING TO ₹ 4,620#* MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 2,608,629# EQUITY SHARES AGGREGATING TO ₹ 1,079.98# MILLION (THE "OFFER FOR SALE"), COMPRISING 906,277# EQUITY SHARES AGGREGATING TO ₹ 375.20# MILLION BY CLIENT ROSEHILL LIMITED, 929,656# EQUITY SHARES AGGREGATING TO ₹ 384.88# MILLION BY CVCIGP II EMPLOYEE ROSEHILL LIMITED, 141,285# EQUITY SHARES AGGREGATING TO ₹ 58.49# MILLION BY GLOBAL IMPACT FUNDS, S.C.A., SICAR, SUB-FUND GLOBAL FINANCIAL INCLUSION FUND, 413# EQUITY SHARES AGGREGATING TO ₹ 0.17# MILLION BY GROWTH PARTNERSHIP II AJAY TANDON CO-INVESTMENT TRUST, AND 998# EQUITY SHARES AGGREGATING TO ₹ 0.41# MILLION BY GROWTH PARTNERSHIP II SIVA SHANKAR CO-INVESTMENT TRUST, AND 630,000# EQUITY SHARES AGGREGATING TO ₹ 260.82# MILLION BY HERO ENTERPRISE PARTNER VENTURES (THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES THE "OFFERED SHARES").

THE OFFER INCLUDED A RESERVATION OF 326,086# EQUITY SHARES, AGGREGATING TO ₹ 135.00# MILLION (CONSTITUTING 0.31% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER CONSTITUTE 13.16% AND 12.85%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR BANK.

***OUR BANK, IN CONSULTATION WITH THE BRLMS, UNDERTOOK A PRIVATE PLACEMENT OF (i) 12,154,044 CCPS (WHICH WERE SUBSEQUENTLY CONVERTED INTO 401,149 EQUITY SHARES) AT AN ISSUE PRICE OF ₹ 10 EACH AGGREGATING TO ₹ 121.54 MILLION ("PRE-IPO CCPS PLACEMENT"); AND (ii) 2,439,607 EQUITY SHARES AT AN ISSUE PRICE OF ₹ 414 EACH (INCLUDING A PREMIUM OF ₹ 404 PER EQUITY SHARE) AGGREGATING TO ₹ 1,009.99 MILLION ("PRE-IPO EQUITY PLACEMENT", AND TOGETHER WITH PRE-IPO CCPS PLACEMENT, THE "PRE-IPO PLACEMENT"). THE SIZE OF THE FRESH ISSUE HAS BEEN ADJUSTED TO ₹ 4,620.00 MILLION. OUR BANK HAD INTIMATED THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT THAT OUR BANK IS CONTEMPLATING THE OFFER AND THAT THERE IS NO GUARANTEE THAT OUR BANK MAY PROCEED WITH THE OFFER, OR THAT THE OFFER MAY BE SUCCESSFUL AND WILL RESULT INTO LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES, AND THE INVESTMENT IS BEING DONE SOLELY AT THEIR OWN RISK.**

#Subject to finalisation of Basis of Allotment

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS 41.40 TIMES THE FACE VALUE OF THE EQUITY SHARES.

The Offer was made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer was made available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (and such portion, the "**QIB Portion**"), provided that our Bank, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion was available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. Further, not less than 15% of the Net Offer was available for allocation to Non-Institutional Investors which (a) one third portion was reserved for Bidders with application size of more than 0.20 million and up to 1 million; and (b) two-thirds of the portion was reserved for Bidders with application size of more than 1 million, provided that the unsubscribed portion in either of such sub-categories was allocated to Bidders in other sub-category of the Non-Institutional Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids having been received above the Offer Price and not less than 35% of the Net Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts, and UPI ID (in case of UPI Bidders using the UPI Mechanism), in which case the corresponding Bid Amounts was blocked by the SCSBs or under the UPI Mechanism, as applicable to participate in the Offer. Anchor Investors were not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 550.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Bank, there has been no formal market for the Equity Shares of our Bank. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price as determined and justified in accordance with the SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 186 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors were required to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors were required to rely on their own examination of our Bank and the Offer, including the risks involved. The Equity Shares that were in the Offer were not recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor did SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors was invited to "*Risk Factors*" on page 37.

ISSUER'S AND THE SELLING SHAREHOLDERS'S ABSOLUTE RESPONSIBILITY

Our Bank, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Bank and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms the statements specifically made or confirmed by such Selling Shareholder in this Prospectus to the extent of information specifically pertaining to itself and the respective portion of its Offered Shares in the Offer for Sale and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. However, no Selling Shareholder assumes any responsibility for any other statements, including without limitation, any and all statements made by or relating to our Bank or any other Selling Shareholder or person(s) in this Prospectus.

LISTING

The Equity Shares that have been issued through the Red Herring Prospectus and this Prospectus are proposed to be listed on the Stock Exchanges. Our Bank has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated September 7, 2023, each. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. A signed copy of the Red Herring Prospectus was filed with the RoC and a signed copy of this Prospectus has been filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents that were available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 577.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
AXIS CAPITAL	ICICI Securities	SBICAPS Complete Investment Banking Solutions	KFINTECH EXPERIENCE TRANSFORMATION
Axis Capital Limited 1st Floor, Axis House, C-2 Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India **Tel:** +91 22 4325 2183 **E-mail**: jana.ipo@axiscap.in **Website**: www.axiscapital.co.in **Investor Grievance ID**: complaints@axiscap.in **Contact Person**: Simran Gadh / Sagar Jatakiya **SEBI Registration Number**: INM000012029	**ICICI Securities Limited** ICICI Venture House Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel**: +91 22 6807 7100 **E-mail**: jana.ipo@icicisecurities.com **Website**: www.icicisecurities.com **Investor Grievance ID**: customercare@icicisecurities.com **Contact Person**: Ashik Joisar / Harsh Thakkar **SEBI Registration Number**: INM000011179	**SBI Capital Markets Limited** 1501, 15th floor, A & B Wing, Parinee Crescenzo, G Block Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India **Tel**: +91 22 4006 9807 **E-mail**: jana.ipo@sbicaps.com **Website**: www.sbicaps.com **Investor Grievance ID**: investor.relations@sbicaps.com **Contact Person**: Vaibhav Shah **SEBI Registration Number**: INM000003531	**KFin Technologies Limited** (*formerly known as KFin Technologies Private Limited*) Selenium, Tower B, Plot No. - 31 and 32 Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India **Tel**: +91 40 6716 2222 **E-mail**: jana.ipo@kfintech.com **Website**: www.kfintech.com **Investor grievance ID**: einward.ris@kfintech.com **Contact Person**: M. Murali Krishna **SEBI Registration Number**: INR000000221

BID/ OFFER SCHEDULE

BID/ OFFER OPENED ON	Wednesday, February 7, 2024	**BID/ OFFER CLOSED ON**	Friday, February 9, 2024

(This page has been intentionally left blank)

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, circulars, notifications, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI Act, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder, each as amended, as applicable. Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Statements", "Basis for Offer Price", "History and Certain Corporate Matters", "Selected Statistical Information", "Financial Indebtedness", "Other Regulatory and Statutory Disclosures", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of Articles of Association" on pages 215, 313, 210, 388, 186, 334, 371, 507, 524, 510 and 571, respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Bank", "the Bank", or "the Issuer"	Jana Small Finance Bank Limited, a company incorporated under the Companies Act, 1956, having its Registered and Corporate Office at The Fairway Business Park, #10/1, 11/2, 12/2B, off Domlur, Koramangala Inner Ring Road, Next to EGL, Challaghatta, Bengaluru 560 071, Karnataka, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Bank

Bank and Selling Shareholders Related Terms

Term	Description
Amansa	Amansa Holdings Pte. Ltd.
"Articles of Association" or "AoA"	Articles of association of our Bank, as amended
Alpha TC	Alpha TC Holdings Pte Ltd
Audit Committee	The audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the Listing Regulations, guidelines issued by the RBI from time to time, and as described in "*Our Management - Committees of the Board*" on page 351
"Auditors" or "Statutory Auditors" or "Joint Statutory Auditors"	M M Nissim & Co LLP, Chartered Accountants and Brahmayya & Co., Chartered Accountants, current Joint Statutory Auditors of our Bank
BAGIC	Collectively, Bajaj Allianz General Insurance Company Limited – Policyholder Fund and Bajaj Allianz General Insurance Company Limited – Shareholder Fund
BAGIC – Policyholder Fund	Bajaj Allianz General Insurance Company Limited – Policyholder Fund
BAGIC – Shareholder Fund	Bajaj Allianz General Insurance Company Limited – Shareholder Fund
BALIC	Bajaj Allianz Life Insurance Company Limited
Bank SHA	Restated shareholders' agreement dated June 9, 2016 entered into between our Bank, Ramesh Ramanathan, JUF, JHL, JCL, Badri Narayan Pilinja, CRL, ERL, KP Samuel and Alwyn D'Souza, as trustees of GP II Trust (Ajay Tandon) and GP II Trust (Siva Shankar), India Financial Inclusion Fund, ENAM, Vallabh Bhanshali, Vallabh Bhanshali HUF, Tree Line, North Haven, Alpha TC, QRG, TPG Asia VI SF Pte. Ltd, GAWA 2 and Caladium Investment Pte Ltd. read with deeds of adherence entered into with (i) Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz General Insurance Company Limited; (ii) ICICI Prudential Life Insurance Company Limited and ICICI Lombard General Insurance Company Limited; (iii) the HV Entities and the HarbourVest Entities; (iv) Amansa Holdings Pte Ltd; (v) Hero Ventures; (vi) the HV Entities; and (vii) Volrado, Dovetail, Deepak and Singularity, dated September 7, 2017, April 5, 2018, April 5, 2018, March 28, 2019, March 29, 2019, August 23, 2018, and June 27, 2023 respectively; assignment and assumption agreements entered into between Hero Ventures and (i) Amer Investments (Delhi) Limited; (ii) Ananta Capital Ventures Fund 1; (iii) Bengal Rubber Company Limited; (iv) Bharti (Satya) Family Trust; (v) Central India Industries

Term	Description
	Limited; (vi) Elpro International Limited; (vii) Par Solar Private Limited; (viii) Puran Associates Private Limited; (ix) Ranchi Enterprise and Properties Limited; (x) S Four Capital; (xi) Spark Fund Advisors LLP; and (xi) Universal Trading Company Limited dated August 9, 2023, August 9, 2023, August 9, 2023, August 14, 2023, August 9, 2023, August 8, 2023, August 9, 2023, August 9, 2023, August 9, 2023, August 9, 2023, August 9, 2023 and August 9, 2023, respectively; and assignment and assumption agreements entered into between Spark Fund Advisors LLP and (i) P Deepak; (ii) Dhankalash Distributors Private Limited; (iii) NABS Vriddhii LLP; (iv) Tarak Bhikhalal Madhani HUF; (v) Bijoy Paulose; (vi) Genesis Exports Ltd Limited; (vii) Kairos Capital Trust; (viii) Valluru Venkat Ruthvik Reddy; and (ix) S Four Capital dated September 12, 2023, September 12, 2023, September 12, 2023, September 12, 2023, September 13, 2023, September 12, 2023, September 12, 2023, September 20, 2023 and August 28, 2023 respectively
Bank WCA	Waiver cum amendment agreement dated July 27, 2023 to the Bank SHA.
"Board" or "Board of Directors"	Board of directors of our Bank as described in "*Our Management*" on page 345
CCPS	Compulsorily convertible preference shares
"CFO" or "Chief Financial Officer"	Chief Financial Officer of our Bank, being Abhilash Sandur. For details, see "*Our Management*" on page 345
CRL	Client Rosehill Limited
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "*Our Management - Committees of the Board*" on page 351
"Company Secretary" and "Compliance Officer"	Company Secretary and Compliance Officer of our Bank, being Lakshmi R N.
Director(s)	The director(s) on the Board of our Bank
Dovetail	Dovetail India Fund - Class 6 Shares
Equity Shares	Equity shares of our Bank of face value of ₹10 each
ENAM	Enam Securities Private Limited
ERL	CVCIGP II Employee Rosehill Limited
ESOP 2017	Employees Stock Option Plan, 2017
ESOP 2018	Employees Stock Option Plan, 2018
"Fitch Solutions" or "FSIAPL"	Fitch Solutions India Advisory Private Limited
Fitch Report	Report titled 'Industry Research Report on the Banking Sector in India' issued on December 4, 2023 by Fitch Solutions
GAWA 2	Global Impact Funds, S.C.A., SICAR, sub-fund Global Financial Inclusion Fund
GP II Trust (Ajay Tandon)	Growth Partnership II Ajay Tandon Co-investment Trust
GP II Trust (Siva Shankar)	Growth Partnership II Siva Shankar Co-investment Trust
Group Companies	Our group companies namely, Jana Urban Foundation, Jana Urban Services For Transformation Private Limited and Jana Urban Space Foundation (India), identified in accordance with SEBI ICDR Regulations and as disclosed in "*Our Group Companies*" on page 522
HarbourVest Entities	HarbourVest Partners Co-Investment Fund IV L.P., HarbourVest Partners Co-Investment IV AIF L.P., HarbourVest Skew Base AIF L.P., HIPEP VIII Partnership Fund L.P., HIPEP VIII Partnership AIF L.P., HarbourVest Asia Pacific Fund VIII L.P., HarbourVest Asia Pacific VIII AIF L.P. and HarbourVest Co-Investment Opportunities Fund L.P.
Hero Ventures	Hero Enterprise Partner Ventures
Hero Subscription Agreement	Securities subscription agreement dated March 29, 2019 and amended and restated securities subscription agreement dated March 17, 2020 entered into between the Bank, Ramesh Ramanathan, JUF and Hero Ventures, as amended by the letter amendment agreement dated March 25, 2021 and the letter amendment agreement dated March 31, 2023

Term	Description
HV Entities	HarbourVest Co-Invest 2017 Private Equity Parties L.P. and The Maple Fund L.P.
ICICI Lombard	ICICI Lombard General Insurance Company Limited
ICICI Prudential	ICICI Prudential Life Insurance Company Limited
Independent Directors	Independent directors on the Board, as described in "*Our Management*" on page 345
"Investor Selling Shareholders" or "Selling Shareholders"	Collectively, CRL, ERL, GAWA II, GP II Trust (Ajay Tandon), GP II Trust (Siva Sankar), and Hero Ventures
I-Sec	ICICI Securities Limited
IPO Committee	The IPO committee of our Board, as described in "*Our Management - Committees of the Board*" on page 351
JCL	Jana Capital Limited
JHL	Jana Holdings Limited
JUF	Jana Urban Foundation
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Bank in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations, as described in "*Our Management*" on page 345
MD and CEO	Managing Director and Chief Executive Officer of our Bank, namely, Ajay Kanwal
"Memorandum of Association" or "MoA"	Memorandum of association of our Bank, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the Listing Regulations and guidelines issued by the RBI from time to time and as described in "*Our Management - Committees of the Board*" on page 351
North Haven	North Haven Private Equity Asia Platinum Pte. Ltd
Preference Shares	282,154,044 unsecured, fully paid-up, non-redeemable, non-cumulative compulsorily convertible preference shares of face value of ₹10 each issued by our Bank which were converted into 17,351,229 Equity Shares. For further details, see "*Capital Structure- Share Capital History of our Bank*" and "*History and Certain Corporate Matters- Key terms of other subsisting material agreements*" on pages 130 and 340, respectively.
Promoters	Our Promoters, namely, Jana Capital Limited and Jana Holdings Limited
Promoter Group	Entities constituting the promoter group of our Bank in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 365
QRG	QRG Enterprises Limited
RBI Auditor Guidelines	Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021
RBI Final Approval	RBI letter dated April 28, 2017 bearing no. DBR.NBD(SFB-JFS) No. 12881/16.13.216/2016-17, pursuant to which RBI granted license no. MUM:134 to our Bank to carry on the SFB business in terms of Section 22 of the Banking Regulation Act
RBI In-Principle Approval	RBI letter dated October 7, 2015, bearing no. DBR.PSBD.NBC(SFB-JFS) No. 4918/16.13.216/2015-16 pursuant to which our Bank, then known as Janalakshmi Financial Services Limited was granted an in-principle approval, to establish and convert into an SFB under Section 22 of the Banking Regulation Act
Registered and Corporate Office	The registered and corporate office of our Bank located at The Fairway Business Park, #10/1, 11/2, 12/2B, off Domlur, Koramangala Inner Ring Road, Next to EGL, Challaghatta, Bengaluru 560 071, Karnataka, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Karnataka at Bengaluru
Restated Financial Statements	Restated financial statements of our Bank for the six month periods ended September 30, 2023 and September 30, 2022 and as at and for the Fiscals 2023, 2022 and 2021 which comprises the restated summary statement of assets and liabilities as at and for the six month periods ended September 30, 2023 and September 30, 2022 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, and the restated summary statements of profit and loss account and restated summary

Term	Description
	statement of cash flows for the six month period ended September 30, 2023 and September 30, 2022 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the summary statement of significant accounting policies, and other explanatory information, notes thereto prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, in pursuance of the SEBI Act, to the extent applicable and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, as amended from time to time.
RSU 2017	Restricted Stock Units – 2017 under the ESOP 2017
RSU 2018	Restricted Stock Units – 2018 under the ESOP 2018
Second SHA Amendment Agreement	SHA Amendment Agreement dated January 22, 2024 to the Bank SHA.
"Senior Management Personnel" or "SMP"	Senior management personnel of our Bank in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in "*Our Management*" on page 345
Shareholders	Shareholders holding equity shares of our Bank from time to time
Singularity	Singularity Growth Opportunities Fund – I
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 345
Subscription Agreement 2023	Securities subscription agreement dated June 27, 2023 entered into between the Bank, Ramesh Ramanathan, JUF, Dovetail, Volrado, Deepak Talwar and Singularity.
TPG Asia	TPG Asia VI SF Pte. Ltd.
TPG Asia Market	TPG Asia VI India Market Pte. Ltd.
TPG Subscription Agreement	Securities subscription agreement dated August 16, 2022 entered into between the Bank, Ramesh Ramanathan, JUF and TPG Asia, as amended by the letter amendment agreement dated July 28, 2023
Trademark Agreement	Trademark licence agreement dated November 5, 2019 entered into between our Bank and JUF
Tree Line	Tree Line Asia Master Fund (Singapore) Pte. Ltd.
Volrado	Volrado Venture Partners Fund III-BETA

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who had been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Amendment Agreement to Offer Agreement	Amendment Agreement to Offer Agreement dated January 23, 2024 entered amongst our Bank, the Selling Shareholders, and the BRLMs.
Amendment Agreement to Registrar Agreement	Amendment Agreement to Registrar Agreement dated January 23, 2024 entered amongst our Bank, the Selling Shareholders, and the Registrar to the Offer.
Anchor Investor	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who had Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which was decided in compliance with SEBI ICDR Regulations, i.e.,

Term	Description
	₹414
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors were submitted and allocation to Anchor Investors was completed
Anchor Investor Offer Price	Final price at which the Equity Shares was Allotted to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price was decided in compliance with SEBI ICDR Regulations, i.e., ₹414
Anchor Investor Portion	60% of the QIB Portion, constituting 4,032,588[#] Equity Shares which has been allocated by our Bank, in consultation with the Book Running Lead Managers, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations [#]*Subject to finalisation of Basis of Allotment*
"Application Supported by Blocked Amount" or "ASBA"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and which included applications made by UPI Bidders using the UPI Mechanism where the Bid Amount were blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and included the account of an UPI Bidder which was blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders which was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Axis	Axis Capital Limited
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Structure*" on page 545
Bid	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. However, RIBs and Eligible Employees who applied in the Employee Reservation Portion could apply at the Cut off Price (in case of Eligible Employees), and the Bid Amount was Cap Price (in case of Eligible Employees), multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee did not exceed ₹ 0.50 million. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion did not exceed ₹ 0.20 million.

Term	Description
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	36 Equity Shares and in multiples of 36 Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries were required not to accept any Bids, being Friday February 9, 2024 which was notified in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Vishwavani, a Kannada daily newspaper (Kannada also being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries were required to start accepting Bids, being Wednesday February 7, 2024 which was notified in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Vishwavani, a Kannada daily newspaper (Kannada also being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders submitted their Bids, including any revisions thereof, in accordance with SEBI ICDR Regulations.
Bidder	An investor who made a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Broker centres at which the Designated Intermediaries have accepted the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer has been made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, Axis Capital Limited, ICICI Securities Limited, and SBI Capital Markets Limited
Broker Centres	Centres notified by the Stock Exchanges where Bidders could submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who had been allocated the Equity Shares, on/after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, being ₹ 414 per Equity Share .
Cash Escrow and Sponsor Bank Agreement	Cash escrow and sponsor bank agreement dated January 31, 2024 to be entered amongst our Bank, the Selling Shareholders, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer, *inter alia*, for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who was eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time and the UPI Circulars
Cut-off Price	Offer Price, being ₹ 414 per Equity Share as finalised in compliance with SEBI ICDR Regulations. Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion were entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders were not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which collected the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other

Term	Description
	website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders could submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instructions being issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and this Prospectus, following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries meant SCSBs In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount was blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries meant Syndicate, sub-syndicate/agents, Registered Brokers, CDPs and RTAs In relation to ASBA Forms submitted by QIBs and non-institutional Bidders, Designated Intermediaries meant Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders could submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	BSE
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated July 30, 2023 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible Employees	Permanent employees, working in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws), of our Bank or our Promoters; or a Director of our Bank, whether whole-time or not, as on the date of the filing of the Red Herring Prospectus with the RoC and on date of submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, held more than 10% of the outstanding Equity Shares of our Bank The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee could not exceed ₹ 0.50 million. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion could not exceed ₹ 0.20 million.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it was not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus constituted an invitation to subscribe to or to purchase the Equity Shares
Employee Reservation Portion	The portion of the Offer being 326,086# Equity Shares aggregating to ₹ 135.00# million, available for allocation to Eligible Employees, on a proportionate basis *#Subject to finalisation of Basis of Allotment*
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors have transferred money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are a clearing member(s) and registered with SEBI as banker(s) to an issue and with whom the Escrow Account(s) has been opened, in this case being ICICI Bank Limited
First or sole Bidder	Bidder whose name was mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appeared as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, ₹ 393 per Equity Share

Term	Description
Fresh Issue	Fresh issue of 11,159,420$# Equity Shares aggregating to ₹ 4,620#* million by our Bank. *#Subject to finalisation of Basis of Allotment* *$This includes 326,086 Equity Shares aggregating to ₹135.00 million issued to Eligible Employees who submitted Bids in the Employee Reservation Portion* **Our Bank, in consultation with the BRLMs undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each aggregating to ₹ 121.54 million and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 1,009.99 million. The size of the Fresh Issue has been adjusted to ₹ 4,620.00 million.* *Our Bank had intimated the subscribers to the Pre-IPO Placement that our Bank is contemplating the Offer and that there is no guarantee that our Bank may proceed with the Offer, or that the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges, and the investment is being done solely at their own risk.*
General Information Document	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars, as amended from time to time. The General Information Document was made available on the websites of the Stock Exchanges and the BRLMs
Maximum RIB Allottees	Maximum number of RIBs who could be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids having been received at or above the Offer Price
Mutual Fund Portion	5% of the Net QIB Portion, or 134,420# Equity Shares which was made available for allocation to Mutual Funds only, subject to valid Bids having been received at or above the Offer Price *#Subject to finalisation of Basis of Allotment*
Net Offer	The Offer, less the Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less the Bank's share of Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 181
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders	All Bidders that were not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who had Bid for Equity Shares, for an amount of more than ₹ 0.20 million (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising 2,016,295# Equity Shares which were made available for allocation on a proportionate basis or any other manner as introduced in accordance with applicable laws, to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price. One-third of the portion available to Non-Institutional Bidders was reserved for applicants with application size of more than ₹ 0.20 million and up to ₹ 1 million and two-third of the portion available to Non-Institutional Bidders was reserved for applicants with application size of more than ₹ 1 million, provided that the unsubscribed portion in either of the sub-categories, were allocated to applicants in the other sub-category of Non-Institutional Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price *# Subject to finalisation of Basis of Allotment*
Non-Resident	Person resident outside India, as defined under FEMA
Offer	The initial public offer of 13,768,049# Equity Shares aggregating to ₹ 5,699.98# million, comprising of the Net Offer and the Employee Reservation Portion *# Subject to finalisation of Basis of Allotment* Our Bank, in consultation with the BRLMs undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each aggregating to ₹ 121.54 million and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 1,009.99 million. The size of the Fresh Issue has been adjusted to ₹ 4,620.00 million. Our Bank had intimated the subscribers to the Pre-IPO Placement that our Bank is contemplating the Offer and that there is no guarantee that our Bank may proceed with the Offer, or that the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges, and the investment is being done solely at their own risk.
Offer Agreement	Agreement dated July 30, 2023 entered amongst our Bank, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer

Term	Description
Offer for Sale	The offer for sale of 2,608,629# Equity Shares by the Selling Shareholders at the Offer Price aggregating to ₹ 1,079.98# million of the Offer # *Subject to finalisation of Basis of Allotment*
Offer Price	₹ 414 per Equity Share, being the final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and this Prospectus. Equity Shares was Allotted to Anchor Investors at the Anchor Investor Offer Price which was decided in compliance with SEBI ICDR Regulations in terms of the Red Herring Prospectus and this Prospectus The Offer Price was decided in compliance with SEBI ICDR Regulations, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offer Proceeds	The gross proceeds of the Fresh Issue which was made available to our Bank and the proceeds of the Offer for Sale which will be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" on page 181
Offered Shares	2,608,629# Equity Shares being offer for sale by the Selling Shareholders pursuant to the Offer for Sale # *Subject to finalisation of Basis of Allotment*
Pre-IPO Placement	Private placement by our Bank, in consultation with the BRLMs of (i) 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each aggregating to ₹ 121.54 million ("**Pre-IPO CCPS Placement**") and (ii) 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 1,009.99 million ("**Pre-IPO Equity Placement**", and together with Pre-IPO CCPS Placement, the "**Pre-IPO Placement**"), pursuant to resolutions passed by our Board of Directors, at their meetings dated August 11, 2023 and January 15, 2024, respectively and resolutions passed by our Shareholder at their meetings dated September 4, 2023 and January 18, 2024, respectively. The size of the Fresh Issue has been adjusted to ₹ 4,620.00 million. For further details in relation to the Pre-IPO Placement, see "*Capital Structure*" on page 130. Our Bank had intimated the subscribers to the Pre-IPO Placement that our Bank is contemplating the Offer and that there is no guarantee that our Bank may proceed with the Offer, or that the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges, and the investment is being done solely at their own risk.
Price Band	Price band of a minimum price of ₹393 per Equity Share (Floor Price) and the maximum price of ₹414 per Equity Share (Cap Price) including any revisions thereof The Price Band and the minimum Bid Lot, was decided in compliance with SEBI ICDR Regulations, and were advertised, two Working Days prior to the Bid/ Offer Opening Date, in all editions of the Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Vishwavani, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation and were made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which the Offer Price was finalised, i.e., February 9, 2024
Prospectus	This prospectus dated February 9, 2024 filed with the RoC on the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	Bank account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Bank(s)	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account has been opened, in this case being Axis Bank Limited.
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer consisting of 6,720,980# Equity Shares which was made available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined in compliance with SEBI ICDR Regulations), subject to valid Bids having been received at or above the Offer Price or Anchor Investor Offer Price # *Subject to finalisation of Basis of Allotment*
Qualified Institutional Buyers or	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations

Term	Description
QIBs or QIB Bidders	
Red Herring Prospectus or RHP	The red herring prospectus dated February 1, 2024, issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which did not have complete particulars of the Offer Price and the size of the Offer, read with the addendum dated February 8, 2024. The Red Herring Prospectus was filed with the RoC at least three Working Days before the Bid/Offer Opening Date
Refund Account(s)	Account(s) to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made to Anchor Investors
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account has been opened, in this case being ICICI Bank Limited.
Registered Brokers	Stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI and the UPI Circulars
Registrar Agreement	Agreement dated July 29, 2023 entered amongst our Bank, the Selling Shareholders, and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited (*formerly known as KFin Technologies Private Limited*)
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who had Bid for the Equity Shares for an amount not more than ₹ 0.20 million in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not less than 35% of the Net Offer consisting of not less than 4,704,688[#] Equity Shares which were made available for allocation to Retail Individual Bidders (subject to valid Bids having been received at or above the Offer Price) [#] *Subject to finalisation of Basis of Allotment*
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders were not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion could revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date
SBICAP	SBI Capital Markets Limited
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offered the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount was blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated April 5, 2022. The said list shall be updated on SEBI website
Share Escrow Agent	Share escrow agent appointed pursuant to the Share Escrow Agreement, namely, KFin Technologies Limited (formerly known as KFin Technologies Private Limited)
Share Escrow Agreement	Share escrow agreement dated January 29, 2024 entered into between our Bank, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate accepted ASBA Forms from Bidders

Term	Description
Sponsor Bank(s)	ICICI Bank Limited and Axis Bank Limited, being Bankers to the Offer, appointed by our Bank to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars
"Syndicate" or "Members of the Syndicate"	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Syndicate agreement dated January 31, 2024, entered into between our Bank, the Book Running Lead Managers, the Syndicate Members and the Registrar to the Offer, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Investec Capital Services (India) Private Limited, and SBICAP Securities Limited
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	Axis Capital Limited, ICICI Securities Limited, SBI Capital Markets Limited, Investec Capital Services (India) Private Limited
Underwriting Agreement	Agreement dated February 9, 2024 entered amongst our Bank, the Selling Shareholders and the Underwriters
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidder(s)	Collectively, individual investors who applied as (i) RIBs in the Retail Portion, (ii) Non-Institutional Bidders with an application size of up to ₹ 0.50 million in the Non-Institutional Portion, and (iii) Eligible Employees Bidding under the Employee Reservation Portion, in each case Bid under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and RTAs. Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million shall use the UPI Mechanism and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular with circular number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular with circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE havingreference no. 20220803-40 dated August 3, 2022.
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application and subsequent debit of funds in case of Allotment

Term	Description
UPI Mechanism	The bidding mechanism that may be used by an UPI Bidders in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical/Industry Related Terms/Abbreviations

Term/Abbreviation	Full Form/Description
AFS	Available for sale
ALCO	Asset liability management committee
ALM	Asset liability management
AML	Anti-money laundering
ANBC	Adjusted net bank credit
ARCs	Asset reconstruction companies
ATMs	Automated teller machines
"Advances Under Management" or "AUM"	Gross advances, IBPCs, assigned advances and advances sold to ARCs for which a bank is acting as a collection agent
Average CASA	CASA calculated on the basis of the average of the opening balance at the start of the relevant fiscal year and the closing balance as at quarter end for all quarters in the relevant fiscal year
Average Deposits	Deposits calculated on the basis of the average of the opening balance at the start of the relevant fiscal year and the closing balance as at quarter end for all quarters in the relevant fiscal year
Average Gross Advances	Gross advances calculated on the basis of the average of the opening balance at the start of the relevant year and the closing balance as at quarter end for all quarters in the relevant year
Average Interest-Earning Advances	Interest-earning assets (advances) calculated on the basis of the average of the opening balance at the start of the relevant year and the closing balance as at quarter end for all quarters in the relevant year
Average Interest-Earning Advances of the Retail Banking Segment	Interest-earning advances of the Retail Banking segment calculated on the basis of the average of the opening balance at the start of the relevant year and the closing balance as at quarter end for all quarters in the relevant year
Average Interest-Earning Investments	Interest-Earning Investments calculated on the basis of the average of the opening balance at the start of the relevant year and the closing balance as at quarter end for all quarters in the relevant year
Average Shareholders' Funds	Share capital plus reserves and surplus calculated on the basis of the average of the opening balance at the start of the relevant year and the closing balance as at quarter end for all quarters in the relevant year
Average Term Deposits	Term deposits calculated on the basis of the average of the opening balance at the start of the relevant year and the closing balance as at quarter end for all quarters in the relevant year
Average Total Assets	Total assets calculated on the basis of the average of the opening balance at the start of the relevant year and the closing balance as at quarter end for all quarters in the relevant year
Average Total Interest-Bearing Liabilities	Total interest-bearing liabilities calculated on basis of the average of the opening balance at the start of the relevant year and the closing balance as at quarter end for all quarters in the relevant year
Average Total Interest-Earning Assets	Total interest-earning assets calculated on the basis of the average of the opening balance at the start of the relevant year and the closing balance as at quarter end for all quarters in the relevant year
Banking outlets	A fixed point service delivery unit, manned by either the bank's staff or its business correspondent, where services of acceptance of deposits, encashment of cheques, cash withdrawal or lending of

Term/Abbreviation	Full Form/Description
	money are provided for a minimum of 4 hours per day for at least five days a week
Basel Committee / BCBS	Basel Committee on Banking Supervision
BC	Business Correspondent
BoM	Bank of Maharashtra
Branches	Our branches that make loans and accept deposits
Bulk Deposits	Single rupee term deposits of ₹20.00 million or more
CAR	Capital adequacy ratio
CASA	Current account and savings account
CASA Ratio	CASA to total deposits ratio
CFT	Combating financing of terrorism
CIBIL	Credit Information Bureau (India) Limited
Cost of Average Borrowings	The ratio of interest expended on borrowings to the average of the opening balance at the start of the relevant year and the closing balance as at quarter end for all quarters in the relevant year
Cost of Average Term Deposits	The ratio of interest expended on term deposits to Average Term Deposits
Cost of Funds	The ratio of interest expended to Average Total Interest-Bearing Liabilities
Cost to Income Ratio	The ratio of operating expenses divided by Operating Income
COVID-19 Regulatory Packages	RBI's 'COVID-19 Regulatory Packages', which were announced by the RBI on March 27, 2020, April 17, 2020 and May 23, 2020
CRAR	Capital to risk-weighted asset ratio
Credit to Deposits Ratio	The ratio of gross advances divided by total deposits
CRILC	Central Repository of Information on Large Credits
CRR	Cash reserve ratio
EMI	Equated monthly instalment
Enterprise Loans	MSE loans that are aimed at supporting small businesses in their growth phase by offering credit facilities for business purposes including business expansion, working capital requirement, plant/equipment and machinery purchase and other long-term business requirements like extension of office/home, etc.
FBIL	Financial Benchmark India Private Limited
FIMMDA	Fixed Income Money Market and Derivatives Association
FFI	Foreign financial institution
GAAP	Generally accepted accounting principles
GNPA	Gross non-performing assets
HFT	Held for Trading
HTM	Held to Maturity
IBA	Indian Banks Association
IBPCs	Inter-bank participatory certificates
ICAAP	Internal Capital Adequacy Assessment Process
IGA	Intergovernmental agreement
IMPS	Immediate Payment System

Term/Abbreviation	Full Form/Description
Interest-Earning Advances	Gross advances net of provisions for NPAs, which is the amount of advances shown on the balance sheet
Interest-Earning Balance with Reserve Bank of India and other Inter-Bank Funds	Interest earned/expended divided by the average balance, including balances with banks in other deposits accounts and money at call and short notice
Interest-Earning Investments	Government securities, treasury bills and other interest earning securities net of depreciation or provision for investments, if any
IRDA	Insurance Regulatory and Development Authority
IT	Information technology
JLG	Joint Liability Group
KYC	Know your customer
LCR	Liquidity coverage ratio
LTV	Loan to value
MCLR	Marginal cost of funds based lending rate
MFI	Microfinance Institution
Microfinance Loans	Microfinance Loans, with respect to our Bank, means all of our unsecured loans except unsecured working capital loans and overdraft facilities to micro and small enterprises based on their GST returns up to and including October 16, 2022 and from and including October 17, 2022, Microfinance Loans has the meaning given to that term in the RBI Regulatory Framework for Microfinance Loans Direction, 2022. The RBI Regulatory Framework for Microfinance Loans Direction, 2022, which was effective from October 17, 2022, defines microfinance loans as follows: (i) a microfinance loan is defined as a collateral-free loan given to a household having annual household income up to ₹300,000. For this purpose, the household shall mean an individual family unit, i.e., husband, wife and their unmarried children. (ii) All collateral-free loans, irrespective of end use and mode of application/ processing/ disbursal (either through physical or digital channels), provided to low-income households, i.e., households having annual income up to ₹300,000, shall be considered as microfinance loans. (iii) To ensure collateral-free nature of the microfinance loan, the loan shall not be linked with a lien on the deposit account of the borrower. (iv) The bank shall have a board-approved policy to provide the flexibility of repayment periodicity on microfinance loans as per borrowers' requirements.
Micro LAP	Micro loans against property
Moratorium	A moratorium of six months on the payment of all instalments and interest on term loans falling due between March 1, 2020 and August 31, 2020 pursuant to the COVID-19 Regulatory Packages
MSEs	Micro and small enterprises
MSMEs	Micro, small and medium enterprises
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non-banking finance company
NBFC-MFIs	Non-banking finance company-microfinance institutions
NCDs	Non-convertible debentures
NDS-OM	Negotiated Dealing System - Order Matching System
Net advances	Gross advances less provisions for NPAs. This is the line item "advances" shown in the balance sheet
Net Interest Income	Interest earned less interest expended
"NIM" or "net interest margin"	The ratio of Net Interest Income to Average Total Interest-Earning Assets
NNPA	Net NPAs
Net Worth	The sum of capital and reserves and surplus

Term/Abbreviation	Full Form/Description
NPAs	Non-performing assets
NPI	Non-performing investments
Operating Income	The sum of Net Interest Income and Other Income
OTP	One time password
PDAI	Primary Dealers Association of India
PF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
PFIC	Passive foreign investment company
PFRDA	Pension Fund Regulatory and Development Authority
PMLA	Prevention of Money Laundering Act, 2002
POS	Point of sales
Provision Coverage Ratio	The ratio of total provision towards NPAs as at the end of the year divided by gross NPAs as at the end of the year
PSL	Priority Sector Lending
PSLC	Priority Sector Lending Certificates
RC	Reconstruction company
Repo	Repurchase transactions in government securities and corporate debt securities
Retail Deposits	CASA plus Retail Term Deposits
Retail Term Deposits	Single rupee term deposits of less than ₹20.00 million
Reverse Repo	Reverse repurchase in government securities and corporate debt securities are reflected as borrowing
RWAs	Risk weighted assets
SC	Securitisation company
Secured Advances	Secured advances, which includes advances covered by bank/government guarantees
Shareholders’ Funds	Capital plus reserves and surplus
SLR	Statutory liquidity ratio
SMA	Special mention accounts
SMS	Short message service
Social Security Code	Code on Social Security, 2020
SR	Security receipts
TASCs	Trusts, associations, societies, clubs and NGOs
TBLR	Treasury bill based lending rate
Yield on Average Interest-Earning Advances	The ratio of interest earned on advances to Average Interest-Earning Advances
Yield on Average Interest-Earning Investments	The ratio of interest earned on investments to Average Interest-Earning Investments
Yield on Average Interest-Earning Balances with Reserve Bank of India and other Inter-Bank Funds	The ratio of interest earned on Interest-Earning Balance with Reserve Bank of India and other Inter-Bank Funds to Average Interest-Earning Balances with Reserve Bank of India and other Inter-Bank Funds
Yield on Average Total Interest-Earning Assets	The ratio of interest earned to Average Total Interest-Earning Assets
YTM	Yield-to-Maturity

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual General Meeting
AIFs	Alternative Investments Funds
ATM	Automated Teller Machine
BSE	BSE Limited
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CCIL	Clearing Corporation of India Limited
CDSL	Central Depository Services (India) Limited
CERSAI	Central Registry of Securitization Asset Reconstruction and Security Interest of India
CIN	Corporate Identity Number
Civil Code	The Code of Civil Procedure, 1908
Companies Act or Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as the Department of Industrial Policy and Promotion*)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EBITDA	Earnings before interest (net), taxes, depreciation and amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under
FEM NDI Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
FIMMDA	Fixed Income Money Market and Derivates Association of India

Term	Description
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fraudulent Borrower	Fraudulent Borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General Anti Avoidance Rules
Gazette	Gazette of India
GoI or Government or Central Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounts) Rules, 2014
India	Republic of India
Indian GAAP/ IGAAP	Indian generally accepted accounting principles generally accepted in India including the Companies (Accounting Standard) Rules (as amended) specified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 in compliance with Banking Regulation Act 1949 and circulars, guidelines and directions issued by Reserve Bank of India from time to time
IPC	Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
KYC	Know your customer
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MCA	Ministry of Corporate Affairs
MICR	Magnetic Ink Character Recognition
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
“NA” or “N.A.”	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-banking financial company
NBFC-CIC-ND-SI	Systemically Important Non-Deposit taking Core Investment Company
NBFC-ND-NOFHC	Non-Deposit taking Non-Banking Financial Company - Non-Operative Financial Holding Company
NBFC-ND-SI	Systemically Important Non-Deposit taking Non-Banking Finance Company

Term	Description
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRE Account	Non-resident external rupee account
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs were not allowed to invest in the Offer
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
RBI Compensation Guidelines	"Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function staff" issued in accordance with RBI circular no. RBI/2019-20/89 DOR.Appt.BC.No.23/29.67.001/2019-20 dated November 4, 2019.
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
Scheduled Commercial Bank	Banks which are included in the Second Schedule to the Reserve Bank of India Act, 1934
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCORES	SEBI Complaints Redress Ssystem
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Merchant Banker Regulations	SEBI (Merchant Bankers) Regulations, 1992
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

Term	Description
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
"SFB" or "Small Finance Bank"	Small finance bank within the meaning of the SFB Licensing Guidelines
SFB Licensing Guidelines	Guidelines for Licensing of Small Finance Banks in the Private Sector issued by the RBI on November 27, 2014 read with the Clarifications to Queries on Guidelines for Licensing of Small Finance Banks and Payment Banks in the Private Sector dated January 01, 2015, issued by the RBI, and such other applicable rules, guidelines, instructions and regulations governing SFBs in India
SFB Operating Guidelines	Operating Guidelines for Small Finance Bank dated October 6, 2016 issued by the RBI
SIDBI	Small Industries Development Bank of India
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
U.S./USA/United States	United States of America
"URCs" or "Unbanked Rural Centres"	Unbanked rural centres
USD/US$	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Prospectus, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including "Risk Factors", "Objects of the Offer", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Our Promoters and Promoter Group", "Financial Statements", "Outstanding Litigation and Material Developments","Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 37, 181, 255, 215, 130, 115, 365, 388, 510, 550 and 571 respectively.

<table>
<tr><td>Summary of the primary business of the Bank</td><td>We are a small finance bank with our registered and corporate office in Bengaluru, Karnataka, India. As at September 30, 2023, we had 771 banking outlets in 22 states and two union territories. Our primary products are deposits (demand deposits, savings deposits and term deposits) and advances. We offer secured loans, including micro loans against property, loans to micro, small and medium enterprises, affordable housing loans, term loans to non-banking finance companies, loans against fixed deposits, two-wheeler loans and gold loans, and unsecured loans, including individual and micro business loans, agricultural and allied loans, and loans offered to groups of women as per the joint liability group model.</td></tr>
<tr><td>Summary of the Industry</td><td>SFBs offer basic banking services such as payment, accepting deposits and lending to the unserved and the underserved segments of the Indian economy, including small businesses, marginal farmers, micro and small industries, and the unorganized sector. SFBs are focused on serving the customers at the bottom of the pyramid to drive financial inclusion. The growth in the industry is illustrated by the exponential growth in both advances and deposits and is supported by the robust rural growth, new product offerings and associated cross-selling opportunities, which will drive the SFBs' market share to multi folds in the future. (Source: Fitch Report)</td></tr>
<tr><td>Names of our Promoters</td><td>Jana Capital Limited and Jana Holdings Limited[*]

[*] Under the conditions set out in the RBI Final Approval dated April 28, 2017, JCL is required to be the sole promoter of our Bank. We have identified both JCL and JHL as the 'promoters' of our Bank in this Prospectus and the Prospectus in accordance with the applicable provisions of the SEBI ICDR Regulations. The same has been intimated to the RBI pursuant to our letters dated June 29, 2023 and July 4, 2023 ("Intimation Letters"). Since the date of Intimation Letters, the RBI has not issued any further correspondence on this matter.</td></tr>
<tr><td>Offer size</td><td>The following table summarizes the details of the Offer:

<table>
<tr><td>Offer of Equity Shares</td><td>13,768,049[#$] Equity Shares aggregating to ₹5,699.98[#] million</td></tr>
<tr><td>of which:</td><td></td></tr>
<tr><td>(i) Fresh Issue [(1)]</td><td>11,159,420[$#] Equity Shares aggregating to ₹ 4,620[#*] million</td></tr>
<tr><td>(ii) Offer for Sale [(2) (3)]</td><td>2,608,629[#] Equity Shares aggregating to ₹1,079.98[#] million</td></tr>
<tr><td>The Offer comprises:</td><td></td></tr>
<tr><td>Employee Reservation Portion</td><td>326,086[#] Equity Shares aggregating to ₹135.00[#] million</td></tr>
<tr><td>Net Offer</td><td>13,441,963[#] Equity Shares aggregating to ₹5,564.98[#] million</td></tr>
</table>
[#] Subject to finalisation of Basis of Allotment
[$] This includes 326,086 Equity Shares aggregating to ₹135.00 million issued to Eligible Employees who submitted Bids in the Employee Reservation Portion
* Our Bank, in consultation with the BRLMs undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each aggregating to ₹ 121.54 million and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 1,009.99 million. The size of the Fresh Issue has been adjusted to ₹ 4,620.00 million.
Our Bank had intimated the subscribers to the Pre-IPO Placement that our Bank is contemplating the Offer and that there is no guarantee that our Bank may proceed with the Offer, or that the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges, and the investment is being done solely at their own risk.

1) The Fresh Issue has been authorised by a resolution passed by our Board of Directors at their meeting held on July 20, 2023 and by a resolution passed by our Shareholders at their meeting held on July 26, 2023.
2) Our Board has taken on record the approval for the Offer for Sale by each of the Selling Shareholders pursuant to its resolution dated July 29, 2023. Our Board of Directors has taken on record the revised Offer size on January 24, 2024.For details on the consent and authorisations of the Selling Shareholders in relation to the Offer for Sale, see "The Offer" beginning on page 115.
3) Each of the Selling Shareholders has severally and not jointly, specifically confirmed that their respective Offered Shares are eligible for being offered for sale in the Offer, in terms of Regulation 8 of the SEBI ICDR Regulations.

The Offer and Net Offer constitute 13.16% and 12.85% of the post-Offer paid-up Equity Share capital of our Bank. For further details, see "The Offer" and "Offer Structure" beginning on pages 115 and 545, respectively.

Our Bank, in consultation with the BRLMs undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each aggregating to ₹ 121.54 million and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 1,009.99 million. The size of the Fresh Issue has been adjusted to ₹ 4,620.00 million.

Our Bank had intimated the subscribers to the Pre-IPO Placement that our Bank is contemplating the Offer</td></tr>
</table>

	and that there is no guarantee that our Bank may proceed with the Offer, or that the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges, and the investment is being done solely at their own risk.
Objects of the Offer	The objects for which the Net Proceeds shall be utilised are as follows:

(in ₹ million)

Particulars	Amount to be funded from the Net Proceeds
For augmentation of our Bank's Tier – 1 capital base	4,264.81

Aggregate pre-Offer shareholding of our Promoters and Promoter Group, and Selling Shareholders as a percentage of our paid-up equity share capital

The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up equity share capital of the Bank is set out below:

Name	No. of Equity Shares	Percentage of the pre- Offer paid-up equity share capital (%)
Promoter and Promoter Group		
JCL	-	-
JHL	23,575,790	25.23
Jana Urban Foundation	-	-
Total	**23,575,790**	**25.23**

The aggregate pre-Offer shareholding of our Selling Shareholders as a percentage of the pre-Offer paid-up equity share capital of the Bank is set out below:

Name	No. of Equity Shares	Percentage of the pre- Offer paid-up capital (%)
CRL	1,812,554	1.94
ERL	929,656	1.00
GAWA 2	141,285	0.15
GP II Trust (Ajay Tandon)	825	Negligible
GP II Trust (Siva Shankar)	1,995	Negligible
Hero Ventures	4,527,856	4.85
Total	**7,414,171**	**7.94**

Summary of Selected Financial Information

The details of our share capital, net worth, the net asset value per Equity Share and total borrowings for the six month period ended September 30, 2023, September 30, 2022 and for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021, as per the Restated Financial Statements are as follows:

(₹ in million, except per share data)

Particulars	As at September 30,		As at March 31,		
	2023	2022	2023	2022	2021
Share capital	3,435.26*	3,249.79	3,249.79	2,014.12	2,007.27
Net worth	25,471.08	15,773.17	17,770.69	11,845.58	11,007.65
Net asset value per Equity Share	346.42	286.90	323.23	230.41	217.00
Total borrowings (as per balance sheet)	53,135.43	59,992.36	62,774.60	45,098.32	48,153.19

**Including the preference share capital aggregating to ₹2,700 million divided into 270,000,000 preference shares of ₹10 each.*

Notes:

Net asset value per equity share is computed on Net worth at the end of the period/years divided by Total number of equity shares outstanding at the end of period/years.

The details of our total income, profit/(loss) after tax and earnings per Equity Share (basic and diluted) for the six month period ended September 30, 2023, September 30, 2022 and for the Fiscals 2023, 2022 and 2021 as per the Restated Financial Statements are as follows:

(₹ in million, except per share data)

Particulars	For the period ended September 30,		For the period ended March 31,		
	2023	2022	2023	2022	2021
Total income	22,155.68	16,896.17	36,998.75	30,623.65	27,207.41
Profit/(loss) after tax	2,132.18	556.34	2,559.71	174.71	722.60
Earnings per Equity Share					
- Basic	33.26*	10.52*	47.47	3.44	14.25
- Diluted	29.45*	9.76*	42.64	3.21	13.46

**Not annualised*

Auditor qualifications which have not been given effect to in the Restated Financial Statements

Nil

Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Bank, Promoters and Directors as on the date of this Prospectus as disclosed in "*Outstanding Litigation and Other Material Developments*" on page 510 in terms of the SEBI ICDR Regulations is provided below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigations	Aggregate amount involved (₹ in million)[(1)]
By the Bank	11,604[(2)]	Nil	2,051[(3)]	Nil	3	8,264.21
Against the Bank	19	25	1	Nil	1	927.13
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil

(1) *To the extent ascertainable and quantifiable*

(2) *Including 259 First Information Reports registered by our Bank, 16 cases filed before the Judicial Magistrates under Section 156 of the CrPC, 6,307 filed under Section 138 Negotiable Instruments Act, 1881 involving an aggregate amount of ₹4,757.78 million (to the extent quantifiable) and 5,022 police complaints filed by the Bank.*

(3) *Including 2,051 proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Security Interest (Enforcement) Rules, 2002, each as amended, involving an aggregate amount of ₹ 3,295.04 million (to the extent quantifiable).*

As on the date of this Prospectus, there are no outstanding litigation proceedings involving our Group Companies, the outcome of which may have a material impact on our Bank.

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 510.

Risk Factors

For details of the risks applicable to us, see "*Risk Factors*" on page 37.

Summary table of contingent liabilities

The following is a summary table of our contingent liabilities as at September 30, 2023:

(₹ in million)

Contingent Liabilities	As at September 30, 2023
Income tax liability	559.72
Guarantees given on behalf of constituents	327.83
Others	149.03
Total	**1,036.58**

For further details of our contingent liabilities, see "*Financial Statements – Annexure 23 - Note 13 – Contingent Liabilities*" on page 443.

Summary of related party transactions

A summary of related party transactions (as per AS 24 – related party disclosures read with SEBI ICDR Regulations) entered into by our Bank for the six months period ended September 30, 2023 and September 30, 2022 and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 are as follows, whose arithmetic aggregated absolute total amounts to ₹ 241.00 million, ₹ 1,188.81 million, ₹ 1,292.53 million, ₹ 901.41 million and ₹ 250.55 million, respectively, which represented 1.09%, 7.04%, 3.49%, 2.94% and 0.92%, respectively of our total income:

(₹ in million)

Name of the Related Party	Nature of Transaction	Amount of (Payable)/Receivable		Amount of (Payable)/ Receivable		
		Six months ended September 30, 2023	Six months ended September 30, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2021
JHL	Issue of Equity Shares	-	1,000.00	1,000.00	660.00	-
	Rendered professional services	-	-	-	-	0.12

	Deposits	25.22	8.91	0.06	15.84	7.50
	Interest	0.20	0.06	-	0.09	0.74
Jana Urban Foundation	Royalty payments*	58.38	45.43	99.56	55.01	49.60
	Deposits	26.56	25.05	26.56	25.05	23.51
	Interest	1.82	1.49	0.88	0.72	0.75
JCL	Rendered professional services	-	-	-	-	0.06
	Deposits	8.78	4.01	0.04	-	-
	Interest	0.06	0.02	-	-	-
Jana Urban Space Foundation India	Deposits	11.38	11.71	11.71	0.13	27.99
	Interest	0.39	0.34	0.69	-	0.11
Jana Urban Space Foundation	Deposits	7.71	7.24	7.46	7.04	1.22
	Interest	0.04	0.03	0.04	0.04	-
Jana Urban Services for Transformation Private Limited	Deposits	29.35	29.35	29.35	29.84	28.21
	Interest	0.16	0.16	0.16	0.67	0.01
Ajay Kanwal	Remuneration	28.49	22.11	62.12	55.19	66.87
Abhilash Sandur	Remuneration	2.30	-	-	-	-
Buvanesh Tharashankar	Remuneration	5.94	7.24	15.40	5.08	-
Kapil Krishan	Remuneration	-	-	-	7.80	12.31
Lakshmi R N	Remuneration	2.82	1.65	3.81	2.79	2.42
KMP	Deposits	7.80	9.74	13.87	7.67	5.97
	Interest	0.11	0.07	0.06	0.03	0.03
Relatives of KMP	Deposits	1.80	0.32	0.75	0.35	0.34
	Interest	0.07	-	0.04	0.06	0.04
Directors	Deposits	13.00	6.62	12.04	22.09	14.86
	Interest	0.50	0.19	0.47	1.06	0.58
Relative of Directors	Deposits	7.96	6.99	7.36	4.82	7.18
	Interest	0.16	0.07	0.10	0.04	0.13

[*] *The royalty was paid to JUF pursuant to the terms stipulated under the Trademark Agreement between JUF and our Bank for usage of trademarks. The Trademark Agreement provides that the royalty payable by our Bank is 0.40% (excluding GST) of our Bank's revenue from operations, subject to an overall cap of ₹250 million per annum, which is to be reviewed annually. The term "revenue from operations" is not a line item in our Bank's financial statements and it is not defined in the Trademark Agreement. Accordingly the amount payable under the Trademark Agreement has been calculated based on our Bank's Operating Income (Net Interest Income (interest earned minus interest expended) and other income). For further details, see "Risk Factors - If we fail to successfully enforce our intellectual property rights or the agreement pursuant to which we have the non-exclusive license to use the trademarks " " and "JANA" is terminated, our business, results of operations and cash flows would be adversely affected." and " History and Certain Corporate Matters - Trademark license agreement dated November 5, 2019 entered into between JUF and the Bank ("**Trademark Agreement**")" on pages 86 and 344.*

For further details, see "*Other Financial Information – Related Party Transactions*" on page 462.

Details of all financing arrangements whereby the Promoters, members of the Promoter Group, the directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of securities of the Bank other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Red Herring Prospectus and this	Our Promoters, members of the Promoter Group, the directors of our Promoters, our Directors and their relatives have not financed the purchase by any other person of securities of our Bank other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Red Herring Prospectus and this Prospectus.

Prospectus

Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders, in the last one year preceding the date of this Prospectus

The weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Prospectus is as follows:

Name	No. of Equity Shares acquired in the last one year	Weighted average price of Equity Shares acquired in the last one year*
Promoters		
JCL	Nil	Nil
JHL	Nil	Nil
Selling Shareholders		
CRL	54,799	456.95
ERL	Nil	Nil
GAWA 2	Nil	Nil
GP II Trust (Ajay Tandon)	Nil	Nil
GP II Trust (Siva Shankar)	Nil	Nil
Hero Ventures	3,966,209**	414.00

* *As certified by JHS & Associates LLP, Chartered Accountants pursuant to their certificate dated February 9, 2024.*

** *Pursuant to conversion of 42,901,858 Preference Shares held by Hero Ventures on January 31, 2024.*

The weighted average price at which CCPS were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Prospectus is as follows:

Name	No. of CCPS acquired in the last one year	Weighted average price of CCPS acquired in the last one year*
Promoters		
JCL	Nil	Nil
JHL	Nil	Nil
Selling Shareholders		
CRL	Nil	Nil
ERL	Nil	Nil
GAWA 2	Nil	Nil
GP II Trust (Ajay Tandon)	Nil	Nil
GP II Trust (Siva Shankar)	Nil	Nil
Hero Ventures	Nil	Nil

* *As certified by JHS & Associates LLP, Chartered Accountants pursuant to their certificate dated February 9, 2024.*

Weighted average cost of acquisition of all Equity Shares transacted in one year, eighteen months and three years preceding the date of this Prospectus

Weighted average cost of acquisition of all Equity Shares transacted in one year, eighteen months and three years preceding the date of this Prospectus:

Period	Weighted average cost of acquisition per Equity Share (in ₹)	Upper end of the price band (₹414) is 'X' times the weighted average cost of acquisition	Range of acquisition price: Lowest price – Highest price (in ₹)*
Last one year preceding the date of this Prospectus	309.78	1.34	10.00 – 456.95
Last 18 months preceding the date of this Prospectus	309.78	1.34	10.00 – 456.95
Last three years preceding the date of this Prospectus	341.85	1.21	10.00 – 968.56

* *As certified by JHS & Associates LLP, Chartered Accountants pursuant to their certificate dated February 9, 2024.*

Details of price at which specified securities were acquired by our Promoter, Selling Shareholders and Shareholders with special right to nominate one or more directors on the Board or other special rights in the last three years preceding the date of

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Prospectus, by our Promoters, members of the Promoter Group, Selling Shareholders and Shareholders with right to nominate directors or other rights. The details of the price at which these acquisitions were undertaken are stated below:

Name of the acquirer/ shareholder	Type of specified security	Date of acquisition of specified securities	Number of Equity Shares acquired*	Face value per Equity Shares	Acquisition price per Equity Shares (in ₹)*
Promoters					

this Prospectus	JCL	Nil	Nil	Nil	Nil	Nil
	JHL	Equity Shares	January 31, 2022	423,308	10.00	968.56
		Equity Shares	February 28, 2022	258,115	10.00	968.56
		Equity Shares	May 31, 2022	258,115	10.00	968.56
		Equity Shares (Rights Issue)	June 30, 2022	861,252	10.00	580.55
		Equity Shares (Rights Issue)	July 29, 2022	430,626	10.00	580.55
	Promoter Group					
	JUF	Nil	Nil	Nil	Nil	Nil
	Selling Shareholders					
	CRL	Equity Shares	April 6, 2023	54,799	10.00	456.95
	ERL	Nil	Nil	Nil	Nil	Nil
	GAWA 2	Nil	Nil	Nil	Nil	Nil
	GP II Trust (Ajay Tandon)	Nil	Nil	Nil	Nil	Nil
	GP II Trust (Siva Shankar)	Nil	Nil	Nil	Nil	Nil
	Hero Ventures	Equity Shares (Conversion of CCPS)	January 31, 2024	3,966,209	10.00	414.00
	Other Shareholders with special rights to nominate one or more directors on the Board of our Bank and other rights					
	BALIC	Equity Shares (Rights Issue)	July 27, 2022	120,458	10.00	580.55
	HarbourVest Partners Co-Investment Fund IV L.P.	Equity Shares (Rights Issue)	August 5, 2022	237,309	10.00	580.55
	HarbourVest Partners Co-Investment IV AIF L.P.	Equity Shares (Rights Issue)	August 5, 2022	62,323	10.00	580.55
	HarbourVest Skew Base AIF L.P.	Equity Shares (Rights Issue)	August 5, 2022	7,377	10.00	580.55
	HIPEP VIII Partnership Fund L.P.	Equity Shares (Rights Issue)	August 5, 2022	28,765	10.00	580.55
	HIPEP VIII Partnership AIF L.P.	Equity Shares (Rights Issue)	August 5, 2022	19,176	10.00	580.55
	HarbourVest Asia Pacific Fund VIII L.P.	Equity Shares (Rights Issue)	August 5, 2022	4,195	10.00	580.55
	HarbourVest Asia Pacific VIII AIF L.P.	Equity Shares (Rights Issue)	August 5, 2022	7,790	10.00	580.55
	HarbourVest Co-Investment Opportunities Fund L.P.	Equity Shares (Rights Issue)	August 5, 2022	29,964	10.00	580.55
	HarbourVest Co-Invest 2017 Private Equity Partners L.P.	Equity Shares (Rights Issue)	August 5, 2022	59,926	10.00	580.55
	The Maple Fund L.P.	Equity Shares (Rights Issue)	August 5, 2022	59,926	10.00	580.55
	ENAM Securities Private Limited	Equity Shares (Rights Issue)	June 26, 2023	1,159	10.00	302.98
	Tree Line Asia Master Fund (Singapore) Pte Ltd	Equity Shares (Rights Issue)	June 26, 2023	446,314	10.00	302.98
	QRG	Equity Shares (Rights Issue)	July 29, 2022	164,370	10.00	580.55
		Equity Shares (Rights Issue)	June 26, 2023	936,841	10.00	302.98
	TPG Asia	CCPS	August 19, 2022	120,000,000	10.00	10.00
		Equity Shares	July 29, 2022	378,950	10.00	580.55

		(Rights Issue)				
		Equity Shares (Rights Issue)	August 5, 2022	51,676	10.00	580.55
	Vallabh Bhansali	Equity Shares (Rights Issue)	June 26, 2023	32,259	10.00	302.98
	Vallabh Bhansali HUF	Equity Shares (Rights Issue)	June 26, 2023	54,019	10.00	302.98
	ICICI Prudential	Equity Shares (Rights Issue)	July 27, 2022	184,607	10.00	580.55
		Equity Shares (Rights Issue)	June 26, 2023	349,099	10.00	302.98
	Amansa	Equity Shares (Rights Issue)	July 27, 2022	525,713	10.00	580.55
		Equity Shares (Rights Issue)	June 26, 2023	2,700,000	10.00	302.98
	Dovetail India Fund - Class 6 Shares	CCPS	June 30, 2023	20,000,000	10.00	10.00
		Equity Shares (Secondary)	June 26, 2023	1,748,975	10.00	302.98
		Equity Shares (Conversion of CCPS)	July 31, 2023	660,110	10.00	-
	Deepak Talwar	CCPS	June 30, 2023	1,000,000	10.00	10.00
		Equity Shares (Conversion of CCPS)	July 31, 2023	33,005	10.00	-
	Volrado Venture Partners Fund III-Beta	CCPS	June 30, 2023	53,000,000	10.00	10.00
		Equity Shares (Conversion of CCPS)	July 31, 2023	1,749,290	10.00	-
	Singularity Growth Opportunities Fund I	CCPS	June 30, 2023	38,000,000	10.00	10.00
		Equity Shares (Conversion of CCPS)	July 31, 2023	1,254,208	10.00	-
	Elpro International Limited	CCPS (Secondary)	August 16, 2023	7,812,500	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	722,256		414.00
	Bharti (Satya) Trustees Private Limited	CCPS (Secondary)	August 16, 2023	31,250,000	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	2,889,023	10.00	414.00
	Par Solar Private Limited	CCPS (Secondary)	August 16, 2023	3,906,250	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	361,128	10.00	414.00
	Spark Fund Advisors LLP	CCPS (Secondary)	August 16, 2023	7,812,500	10.00	32.00
	Bengal Rubber Company Limited	CCPS (Secondary)	August 16, 2023	1,562,500	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	144,451	10.00	414.00
	Central India Industries Limited	CCPS (Secondary)	August 16, 2023	3,125,000	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	288,902	10.00	414.00
	Universal Trading Company Limited	CCPS (Secondary)	August 16, 2023	1,562,500	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	144,451	10.00	414.00
	Ranchi Enterprises	CCPS (Secondary)	August 16,	3,125,000	10.00	32.00

	And Properties Limited		2023			
		Equity (Conversion of CCPS)	January 31, 2024	288,902	10.00	414.00
	Amer Investments (Delhi) Limited	CCPS (Secondary)	August 16, 2023	1,562,500	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	144,451	10.00	414.00
	Shikhar Rajsakshi Sinha	CCPS (Secondary)	August 16, 2023	3,906,250	10.00	32.00
		CCPS (Secondary)	September 1, 2023	3,044,140	10.00	32.00
		CCPS (Secondary)	January 5, 2024	2,105,263	10.00	38.00
		Equity (Conversion of CCPS)	January 31, 2024	361,128	10.00	414.00
		Equity (Conversion of CCPS)	January 31, 2024	281,427	10.00	414.00
		Equity (Conversion of CCPS)	January 31, 2024	194,629	10.00	414.00
	Puran Associates Private Limited	CCPS (Secondary)	August 16, 2023	15,625,000	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	1,444,511	10.00	414.00
	Ananta Capital Ventures Fund 1	CCPS (Secondary)	August 16, 2023	12,500,000	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	1,155,609	10.00	414.00
	P Deepak	CCPS (Secondary)	September 15, 2023	285,714	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	26,414	10.00	414.00
	Bijoy Paulose	CCPS (Secondary)	September 15, 2023	285,714	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	26,414	10.00	414.00
	Dhankalash Distributors Private Limited	CCPS (Secondary)	September 15, 2023	1,136,363	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	105,055	10.00	414.00
	Genesis Exports Limited	CCPS (Secondary)	September 15, 2023	280,898	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	25,969	10.00	414.00
	Tarak Bhikhalal Madhani HUF	CCPS (Secondary)	September 15, 2023	209,871	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	19,402	10.00	414.00
	Kurugod Setra Mayurnathlatha Mayur	CCPS (Secondary)	September 15, 2023	285,715	10.00	32.00
		Equity (Conversion of CCPS)	January 31, 2024	26,414	10.00	414.00
	Neelanchal Edifice LLP	CCPS (Secondary)	September 15, 2023	1,714,285	10.00	32.00

	CCPS (Secondary)	December 22, 2023	2,368,421	10.00	38.00
	Equity (Conversion of CCPS)	January 31, 2024	158,483	10.00	414.00
	Equity (Conversion of CCPS)	January 31, 2024	218,957	10.00	414.00
Valluru Venkat Ruthvik Reddy	CCPS (Secondary)	September 22, 2023	284,900	10.00	32.00
	Equity (Conversion of CCPS)	January 31, 2024	26,339	10.00	414.00
Pushpa Ajmera. Sunita Daga.	CCPS (Secondary)	September 22, 2023	284,900	10.00	32.00
	Equity (Conversion of CCPS)	January 31, 2024	26,339	10.00	414.00
VLS Finance Limited	CCPS (Secondary)	January 24, 2024	2,380,952	10.00	42.00
	Equity (Conversion of CCPS)	January 31, 2024	220,116	10.00	414.00
Globe Capital Market Limited	CCPS (Secondary)	January 24, 2024	6,493,506	10.00	38.50
	Equity (Conversion of CCPS)	January 31, 2024	600,316	10.00	414.00
TPG Asia	Equity (Conversion of CCPS)	January 31, 2024	3,082,772	10.00	389.26

As certified by JHS & Associates LLP, Chartered Accountants pursuant to their certificate dated February 9, 2024.

Average cost of acquisition of Equity Shares of our Promoters and the Selling Shareholders

The average cost of acquisition of Equity Shares held by our Promoters and the Selling Shareholders is as follows:

Name	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)*
Promoters		
JHL	23,575,790	1,056.24
JCL	-	-
Selling Shareholders		
CRL	1,812,554	366.43
ERL	929,656	363.61
GAWA 2	141,285	800.00
GP II Trust (Ajay Tandon)	825	359.70
GP II Trust (Siva Shankar)	1,995	362.76
Hero Ventures**	4,527,856	141.14

* *As certified by JHS & Associates LLP, Chartered Accountants pursuant to the certificate dated February 9, 2024.*

** *Pursuant to conversion of 42,901,858 CCPS held by Hero Enterprise Partner Ventures on January 31, 2024.*

Size of the pre-IPO placement and allottees, upon completion of the placement

Our Bank, in consultation with the BRLMs undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each aggregating to ₹ 121.54 million and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 1,009.99 million. The size of the Fresh Issue has been adjusted to ₹ 4,620.00 million.

Our Bank had intimated the subscribers to the Pre-IPO Placement that our Bank is contemplating the Offer and that there is no guarantee that our Bank may proceed with the Offer, or that the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges, and the investment is being done solely at their own risk.

Any issuance of Equity Shares in the last one year for consideration other than cash

Our Bank has not issued any Equity Shares in the last one year from the date of this Prospectus, for consideration other than cash.

Any split/consolidation of

Our Bank has not split or consolidated the face value of the Equity Shares in the last one year.

Equity Shares in the last one year	
Exemption from complying with any provisions of securities laws, if any, granted by SEBI	Nil

KEY PERFORMANCE METRICS

The table below sets forth key GAAP measures and key performance indicators for the periods and years indicated:

KPIs	Six months ended September 30, 2023	Six months ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
Operations					
Banking Outlets [(1)]	771	723	754	715	619
AUM (in INR million) [(2)]	230,295.58	170,567.55	201,018.01	153,473.37	127,705.26
AUM Growth (%) [(3)]	35.02%	NA	30.98%	20.18%	NA
Gross Advances (in INR million)[(4)]	213,471.30	149,920.24	180,007.41	132,503.20	118,389.82
Gross Advances Growth (%)[(5)]	42.39%	NA	35.85%	11.92%	NA
Gross Secured Advances (in INR million)[(6)]	122,577.38	82,998.38	99,047.54	70,271.26	50,760.00
Gross Secured Advances (% to Gross Advances)[(7)]	57.42%	55.36%	55.02%	53.03%	42.87%
Deposits (in INR million)	189,367.24	141,677.52	1,63,340.16	1,35,364.92	1,23,162.58
Deposits Growth (%) [(8)]	33.66%	NA	20.67%	9.91%	NA
CASA Ratio (%) [(9)]	20.49%	22.78%	20.21%	22.52%	16.29%
CASA + Retail Term Deposits Ratio (as percentage of total deposits) [(10)]	67.21%	75.91%	70.22%	75.86%	73.18%
Capital					
Net worth (in INR million) [(11)]	25,471.08	15,773.17	17,770.69	11,845.58	11,007.66
Total Capital Ratio (CRAR) (%) [(12)]	17.50%	16.36%	15.57%	15.26%	15.51%
Tier 1 Capital Ratio (%) [(13)]	15.73%	14.08%	13.02%	11.83%	11.75%
Cost of Deposits (%) [(14)]	7.54%	6.57%	7.22%	8.12%	8.89%
Cost of Funds (%) [(15)]	7.40%	6.73%	7.02%	7.37%	8.61%
Asset Quality					
Gross NPA (%) [(16)]	2.44%	6.83%	3.94%	5.71%	7.25%
Provision Coverage Ratio (%)[(17)]	64.90%	34.14%	34.01%	32.19%	27.89%
Restructured Book as % of Advances (%)[(18)]	1.27%	4.73%	1.04%	4.61%	8.40%
Net NPA (%)[(19)]	0.87%	4.60%	2.64%	3.95%	5.33%
Profitability					
Pre-Provision Operating Profit (PPOP)[(20)]	5,561.02	4,346.54	10,003.74	5,867.92	4,388.52
Net Profit (in INR million)	2,132.18	556.34	2,559.71	174.71	722.60
Yield on Advances (%) [(21)]	17.18%	17.81%	18.09%	19.94%	21.81%
Net Interest Margin (%) [(22)]	7.76%	7.45%	7.73%	7.32%	8.36%
Credit Cost Ratio (%) [(23)]	3.53%	5.47%	4.95%	4.70%	3.51%
Operating Expenses to Average Total Assets (%) [(24)]	5.81%	5.68%	5.66%	5.68%	6.52%
Cost to Income Ratio (%) [(25)]	58.48%	58.42%	56.22%	66.00%	70.47%
Return on Average Assets (%) [(26)]	1.61%	0.52%	1.13%	0.09%	0.45%
Return on Average Equity (%) [(27)]	19.60%	8.00%	16.78%	1.53%	6.51%
Basic EPS (in INR) [(28)]	33.26	10.52	47.47	3.44	14.25

(1) *Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year*

(2) *AUM represents Advances under Management and is calculated as the sum of gross advances plus advances originated and transferred under securitization, assignment, and inter-bank participation certificates and sale to ARCs for which the company continues to hold collection responsibilities.*

(3) *AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.*

(4) *Gross Advances is calculated as the AUM substracted for advances originated and transferred under securitization, assignment, and inter-bank participation certificates and sale to ARCs for which the company continues to hold collection responsibilities.*

(5) *Gross Advances growth represents growth in Gross Advances as of the last day of the relevant period/fiscal year over Gross Advances as of the last day of the previous period/fiscal year.*

(6) *Gross Secured Advances Gross advances against which there is a security in form of gold, property, Fixed Deposits, Two-Wheeler or any other security.*

(7) *Gross Secured Advances % to Gross advances as of the last day of the relevant period/fiscal, expressed for the period as a percentage.*

(8) *Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.*

(9) *CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(10) *CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.*

(11) *Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.*

(12) *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*

(13) *Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.*

(14) *Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to the average deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(15) *Cost of Funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of*

the relevant period/fiscal year, expressed as a percentage.

(16) *Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*

(17) *Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including technical write off and Gross NPA, including technical write-off.*

(18) *Restructured book as % of advances represent standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.*

(19) *Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.*

(20) *Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.*

(21) *Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(22) *Net Interest Margin represents net interest income for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, represented as a percentage.*

(23) *Credit Cost Ratio is calculated as the ratio of total provisions towards NPAs and write-offs and provision towards standard assets to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.*

(24) *Operating Expenses to Average Total Assets represents operating expenses for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*

(25) *Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/fiscal year, expressed as a percentage.*

(26) *Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*

(27) *Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.*

(28) *Basic EPS: EPS as computed in accordance with Accounting Standard 20 notified under the Companies Act (Accounting Standards) Rules of 2014 (as amended).*

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable, and all references to the "US", "U.S." "USA" or "United States" are to the United States of America.

In this Prospectus, unless otherwise specified:

- any time mentioned is in IST;
- all references to a year are to a calendar year; and
- all references to page numbers are to the page numbers of this Prospectus.

Financial Data

Unless stated otherwise, the financial information in this Prospectus is derived from the Restated Financial Statements, derived from the audited financial statements for the six months period ended September 30, 2023 and September 30, 2022 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, derived from our audited financial statements prepared in accordance with the provisions of Banking Regulation Act 1949, as well as the Companies Act, 2013 and circulars and guidelines issued by RBI in the manner so required by banking companies and give a true and fair view in conformity with the applicable accounting standards described under Section 133 of the Companies Act, 2013 the read with Companies (Accounts) Rules, 2014, as amended and other accounting principles generally accepted in India, and restated in accordance with Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI. For further information, see "*Financial Statements*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 388, 462 and 463, respectively. Our Bank's Financial Year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular Financial Year, unless stated otherwise, are to the 12-month period ended on March 31 of that year.

There are significant differences between IGAAP, Ind AS, U.S. GAAP and IFRS. The Restated Financial Statements included in this Prospectus have been compiled by the management from the audited financial statements of our Bank for the six months period ended September 30, 2023 and September 30, 2022 and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared by our Bank in accordance with the provisions of Section 29 of the Banking Regulation Act 1949, accounting principles generally accepted in India including the Companies (Accounting Standard) Rules 2006 (as amended) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 in so far as they apply to our Bank and circulars, guidelines and directions issued by Reserve Bank of India from time to time. Our Bank has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Bank's financial data. For risks in this regard, see *"Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flow"* on page 107. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Prospectus should accordingly be limited. Our Bank does not provide reconciliation of its financial information to IFRS or U.S. GAAP.

Further, our Promoters, JCL and JHL, are required to prepare their financial statements in accordance with Ind AS. Accordingly, we prepare financial statements in accordance with Ind AS for the limited purpose of inclusion in our Promoters' consolidated financial statements. There is not a significant difference in our Bank's business operations and that of our Promoters. Consequently, our Bank's Ind AS financial information may be indirectly available, as may be derived from or reflected in the consolidated Ind AS financial information of our Promoters. Investors are cautioned against placing reliance on such Ind AS financial information relating to our Bank and should rely solely on our Restated Financial Statements included in this Prospectus for an assessment of our financial position and any investment decision. For further details, see "*Risk Factors – Banking companies in India, including us, may be required to report financial statements as per Ind AS in the future. Differences exist between Ind AS and Indian GAAP. In the future, if we are required to prepare our financial statements in accordance with Ind AS, there is a possibility that our financial condition, results of operations and cash flows could be worse than if we prepared our financial statements in accordance with Indian GAAP*" on page 100.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 37, 255 and 463 respectively, and elsewhere in this Prospectus have been calculated on the basis of the Restated Financial Statements.

Further, Fitch Solutions derived the financial information of our Bank as included in the Fitch Report from our audited financial statements as at and for the half years ended September 30, 2023 and September 30, 2022, and as at and for the years ended March 31, 2023, 2022 and 2021 and not from the Restated Financial Statements. There are certain differences between the abovementioned audited financial statements and the Restated Financial Statements, and for details of the same, see "*Financial Statements – Annexure 4 – Restated Statement of Adjustments to Audited Financial Statements*" on page 397.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places.

Non-GAAP Financial Measures

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (together, "**Non-GAAP Financial Measures**" and each, a "**Non-GAAP Financial Measure**") in this Prospectus. These Non-GAAP Financial Measures are supplemental measures of our performance and liquidity and not required by or presented in accordance with IGAAP. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. However, note that these Non-GAAP Financial Measures and other statistical information relating to our operations and financial performance are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Indian GAAP, Ind AS, IFRS or US GAAP. Yield and cost percentages for the half years ended September 30, 2023 and 2022 have been annualised.

In addition, these non-GAAP measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other small finance banks or financial services companies. See also "*Risk Factors – We have included certain Non-GAAP Financial Measures and certain other selected statistical information related to our business, financial condition, results of operation and cash flows in this Prospectus. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.*" on page 104.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Bank has presented certain numerical information in this Prospectus in "lakh", "million" and "crores" units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD (in Rupees per USD):

Currency	As at				
	September 30, 2023	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
1 USD	83.06	81.56	82.22	75.81	73.50

Source: RBI reference rate and www.fbil.org.in

Industry and Market Data

Unless otherwise indicated, industry and market data used throughout this Prospectus has been obtained or derived from the Fitch Report has been commissioned by our Bank for an agreed fee, and which is subject to the following disclaimer:

"*This report is prepared by Fitch Solutions India Advisory Pvt. Ltd. (FSIAPL) (erstwhile IRR Advisory Services Pvt. Ltd.) FSIAPL has taken utmost care to ensure accuracy and objectivity while developing this report. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of FSIAPL*." For risks in this regard, see "*Risk Factors – Statistical and industry data in this Prospectus are derived from the Fitch Report, which was commissioned and paid for by us for the purpose of the Offer. Reliance on information from the Fitch Report for making an investment in the Offer is subject to inherent risks"* on page 108.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Bank is conducted, and methodologies and assumptions may vary widely among different industry sources.

Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 37.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 186 includes information relating to our peer group companies. Accordingly, no investment decision should be made solely on the basis of such information.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". All statements contained in this Prospectus that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely to", "seek to", "shall", "objective", "plan", "project", "propose", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements whether made by us or any third parties in this Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the banking industry and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in our competitive landscape. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. We are subject to inspections by various regulatory authorities, such as the RBI, PFRDA, IRDA and National Pension System Trust. Non-compliance with the observations of such regulators could adversely affect our business, financial condition, results of operations and cash flows.

2. We are subject to stringent regulatory requirements and prudential norms. In addition, some of these regulatory requirements and prudential norms are more onerous for Small Finance Banks compared to other banks. We have not been able to comply with certain provisions of the SFB Licensing Guidelines and the RBI Final Approval. As a result, the RBI may take regulatory action against us, which could include imposition of monetary penalties, revocation of the RBI Final Approval or such other penal actions and restrictions deemed fit by the RBI, the imposition of any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

3. Our Bank is subject to restrictions relating to the Equity Shares as per the RBI In-Principle Approval, RBI Final Approval, SFB Licensing Guidelines and SFB Operating Guidelines.

4. There have been irregularities in certain regulatory filings made by us with the RoC under applicable law. Further, certain of our statutory and regulatory records are untraceable. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Bank in the future in relation to such missing corporate records or irregular filings.

5. Our non-convertible debentures are listed on the BSE and we are subject to rules and regulations with respect to such listed non-convertible debentures. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

6. We may be unable to maintain or renew our statutory and regulatory permits, licences and approvals required to operate our business, which may adversely affect our business, financial condition, results of operation and cash flows.

7. The RBI is required to approve candidates proposed to be appointed as chairman, managing director and executive director. Additionally, the RBI has the power and the authority to remove any employee or managerial person under certain circumstances.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 37, 255 and 463, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

These forward-looking statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Bank, our Selling Shareholders, our Promoters, our Directors, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI, our Bank was required to ensure that Bidders in India were informed of material developments, in relation to statements and undertakings confirmed and undertaken by the Bank and each of the Selling Shareholders, severally and not jointly, in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares, in this Prospectus, from the date thereof until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. In this regard, each of the Selling Shareholders, severally and not jointly, ensured that the Bank and BRLMs are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to themself as a Selling Shareholder and their respective portion of the Offered Shares in this Prospectus, from the date thereof until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before evaluating our business and making an investment in the Equity Shares pursuant to the Offer.

This section should be read in conjunction with "Industry Overview", "Our Business", "Selected Statistical Information", "Financial Statements", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 215, 255, 371, 388 and 463, respectively, before making an investment decision in relation to the Equity Shares.

The risks and uncertainties described in this section are not the only risks that are relevant to us or the Equity Shares or the industry and segment in which we operate. Additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, financial condition, results of operations and cash flows. If any of the following risks or other risks that are not currently known or are now deemed immaterial actually occur, our business, financial condition, results of operations and cash flows could be adversely affected, and the trading price of the Equity Shares could decline and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors described below. However, there are certain risk factors where such implications are not quantifiable, and hence any quantification of the underlying risks has not been disclosed in such risk factors.

In making an investment decision, prospective investors must rely on their own examination of our Bank and the terms of the Offer, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For details, see "Forward-Looking Statements" on page 35.

All industry and market data used in this section have been derived from the Fitch Report, which was prepared by Fitch Solutions. We commissioned Fitch Solutions to prepare the Fitch Report specifically for the purpose of the Offer for an agreed fee pursuant to the engagement letter dated June 19, 2023 and an addendum dated November 16, 2023. A copy of the Fitch Report was available on our Bank's website at https://www.janabank.com/about-us/disclosures/#industry-report until the Bid/Offer Closing Date.

INTERNAL RISKS

Regulatory Risks

1. ***We are subject to inspections by various regulatory authorities, such as the RBI, PFRDA, IRDA and National Pension System Trust. Non-compliance with the observations of such regulators could adversely affect our business, financial condition, results of operations and cash flows.***

   We are subject to periodic inspections by various regulatory authorities, including the RBI, the Pension Fund Regulatory and Development Authority ("**PFRDA**"), Insurance Regulatory and Development Authority ("**IRDA**") and National Pension Scheme.

   Inspection by the RBI is a regular exercise for all banks and financial institutions pursuant to which the RBI may issue observations, directions and action plans on various matters, such as risk management systems, credit concentration risk, counterparty credit risk, internal controls, credit allocation and regulatory compliance. The RBI has carried out two inspections of our Bank and one examination of our Bank's information technology ("**IT**") systems and processes.

   The RBI carried out an examination of our Bank's IT systems and processes from July 12, 2021 to July 16, 2021 ("**IT Examination**"). Basis the IT Examination, the RBI issued a report on IT Examination and identified certain deficiencies, including among other things, (i) measures for reporting of phishing emails to concerned team/personnel was not defined; (ii) documentation of USB procedures; (iii) strengthening the measures for reporting cyber security events; and (iv) action on high alerts in web application firewalls.

   We have responded to the observations included in IT Examination and have taken corrective actions, wherever applicable.

   Most recently, the RBI has conducted an on-site inspection for supervisory evaluation from September 26, 2022 to November 14, 2022 for the Fiscal 2022 and an off-site analysis of the data and information furnished by our Bank (the "**Inspection**"). Based on the Inspection, the RBI issued its (a) inspection report; (b) risk assessment report; and (c) letter dated December 23, 2022 and noted certain deficiencies, including among others: (i) decrease in CRAR below the threshold of 16% set in risk appetite statement of our Bank since March 31, 2021; (ii) failure to achieve the targeted capital infusions and projected financial parameters for Fiscal 2022; (iii) non-identification of the level of compliance risk in each business line, products and processes and non-availability of function-wise compliance manuals; (iv) loan pricing was not done as per the risk profile of the borrowers; (v) multiple customer identification numbers for the same borrower, which resulted in different asset classification for their various accounts; (vi) business loans of less than ₹ 50 million were not subjected to periodic review; (vii) the number of frauds increased from 573 to 772 from Fiscal 2021 to Fiscal 2022, out of which 736 were internal. The total amount of fraud incidents of ₹0.10 million and above increased by 47.29% despite a reduction of 34.73% in the total number of such incidents; (viii) internal audit did not cover certain areas, including treasury, CRAR computation, fraud management, early warning signals, sustenance of regulatory compliance and AML closed alerts; (ix) the Bank's illiquidity ratio was at 46.16% as on March 31, 2022, as against industry average of 40%, indicating basic earning assets were supported by volatile money; (x) core deposits to total assets ratio was at 36.03% as at March 31, 2022, as against industry average of 50.00%, indicating that 63.97% of total assets were funded through unstable deposit base; (xi) ratio of illiquid assets financed out of core deposits as at March 31, 2023 of 252.97%, signifying higher degree of illiquidity embedded in our Bank's balance sheet; (xii) 13,577 existing NPA borrowers were granted new loans amounting to ₹ 670 million, with earlier NPAs being netted off with the proceeds of new loans; (xiii) 15% of the customer complaints were closed beyond the internally set maximum turn-around time; (xiv) priority sector lending classification was not done at the time of origination of the loan facility but on a quarterly basis; and (xvi) 74% of staff were overdue for rotation

Further, the RBI issued a letter dated January 12, 2023 on the basis of the Inspection, highlighting certain supervisory concerns and setting forth the risk mitigation plan for our Bank. The RBI's risk mitigation plan for our Bank includes, among other things, (i) our Bank shall comply with listing requirements, as stipulated in the licensing guidelines of our Bank; (ii) our Bank shall review and address the gaps in system-based NPA identification and clarification as per extant guidelines; (iii) our Bank shall review the management of internal/office accounts by rationalisation of office accounts on an ongoing basis and enhancing system based checks and controls; (iv) our Bank shall categorise its functions based on risk for prioritising, deciding on the frequency of audit and resources allocation for audit purposes; (v) our Bank shall implement risk rating/risk scoring and shall use them for credit decision and pricing of loans based on the risk profile of the borrowers; (vi) our Bank shall implement a system for monitoring early warning signals and tagging of red flagged accounts; and (vii) our Bank shall ensure completion of integration of the applications with a centralised identity and access management solution.

We have responded to these observations with our compliances, wherever applicable. Our Bank has taken corrective action based on the Inspection and many of the compliances have been accepted by the RBI. Our Bank is in the process of complying with the remaining observations under the timelines we informed to the RBI, and we are in the process of implementing the observations as per the applicable timelines. Post the Inspection, the RBI has not instructed us to make any adjustments to our financial statements, issued us any show cause notices or imposed any penalties or other sanctions on us.

Further, a select scope of inspection has been undertaken by the RBI between September 20, 2023 and October 13, 2023 for Fiscal 2023, and as of the date of this Prospectus, we await the observations pursuant to such inspection. We cannot provide any assurance that the RBI will not have significant observations, or require us to take corrective actions, as part of such inspection report.

Additionally, the RBI issued a letter dated October 17, 2023, outlining supervisory concerns related to CASA and credit growth. The letter also outlined that while a marginal decline had been reported in the Bank's unsecured loan portfolio, it still continued to be high at 42% as on September 30, 2023. In light of the above, the RBI had advised our Bank to (a) moderate our credit growth to more sustainable levels, and monitor the quality of credit on a continuous basis, (b) make sustained efforts to enhance the contribution of low-cost CASA and stable CASA deposits, (c) frame a well-considered strategy regarding the unsecured credit portfolio of our Bank and articulate the mitigating measures to address the risks associated with the same, (d) improve our systems to document the purpose and monitor the end use of funds lent by us so as to ensure that the proceeds of the loans are not diverted towards any speculative activity, and (e) adopt a conservative, cautious and careful approach to ensure sustainability and viability of our Bank in the long run. Taking note of the letter, a Board-approved monitorable action plan was submitted by our Bank to RBI by way of a letter dated November 15, 2023. The monitorable action plan laid out efforts the Bank would be undertaking with respect to (a) reducing its unsecured loan portfolio, (b) raising low cost and stable CASA deposits, (c) credit quality monitoring and credit growth moderation, and (d) monitoring end-use of funds.

We cannot assure you that the RBI will not require us to take further actions to comply with their observations or that RBI will not make similar or other observations in the future. While we seek to comply with all regulatory provisions applicable to us, in the event we are unable to comply with the observations made by the RBI, we could be subject to sanctions (such as restrictions being applied on our carrying out of certain business activities or our ability to obtain the regulatory permits and approvals required to expand our business) and/or penalties imposed by the RBI. The imposition of any sanction or penalty or issue of adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our reputation, business, financial condition, results of operations and cash flows.

2. ***We are subject to stringent regulatory requirements and prudential norms. In addition, some of these regulatory requirements and prudential norms are more onerous for Small Finance Banks compared to other banks. We have not been able to comply with certain provisions of the SFB Licensing Guidelines and the RBI Final Approval. As a result, the RBI may take regulatory action against us, which could include imposition of monetary penalties, revocation of the RBI Final Approval or such other penal actions and restrictions deemed fit by the RBI, the imposition of any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We are regulated under the Banking Regulation Act and are required to comply with circulars and directives issued by the RBI that apply to Small Finance Banks. The Banking Regulation Act limits the flexibility of shareholders and management of a Small Finance Bank in many ways, including by way of specifying certain matters for which a banking company would require RBI approval. The RBI In-Principle Approval, RBI Final Approval, SFB Licensing Guidelines, SFB Operating Guidelines and the Recommendations of the Internal Working Group to Review Extant Ownership Guidelines and Corporate Structure for Indian Private Sector Banks dated November 26, 2021 (our Bank is also a private sector bank) require us to comply with certain conditions in order to operate our business. In addition, we are subject to other laws and regulations, such as the Companies Act and FEMA regulations.

In case we fail to comply with applicable directives and reporting requirements or meet prescribed prudential norms, the RBI may charge penalties, restrict our banking activities or otherwise enforce increased scrutiny and control over our banking operations, including by way of withholding approvals, or issuing conditional approvals, in respect of any proposed actions for which we may seek RBI approval in the future, or in an extreme scenario the RBI has powers to supersede the Board and even cancel our banking license. If we are unable to comply with laws and regulations applicable to a Small Finance Bank, it may have an adverse effect on our business, financial condition, results of operations and cash flows.

We have highlighted below some of the more material rules and regulations that we need to comply with as a Small Finance Bank. Unless stated otherwise, we are in compliance with all of the following rules and regulations as on date of this Prospectus.

<table>
<tr><th>S. No.</th><th>Regulatory Requirement</th><th>Status of compliance</th></tr>
<tr><td>1.</td><td><u>Listing requirement</u>:
Under the provisions of the SFB Licensing Guidelines and the RBI Final Approval, the Equity Shares of our Bank were required to be listed on a stock exchange within three years from the date of commencement of our banking business i.e., on or prior to March 27, 2021.</td><td>Pursuant to complying with the observation pertaining to the listing process, our Board and Shareholders have, pursuant to the resolutions passed at their meetings held on July 20, 2023 and July 26, 2023, respectively, approved the Offer. The Bank has undertaken to take the necessary steps towards listing including, filing of the draft red herring prospectus dated July 30, 2023 with SEBI and is in the process of complying with the requirement of listing.
For further details, see "- 3. Our Bank is subject to restrictions relating to the Equity Shares as per the RBI In-Principle Approval, RBI Final Approval, SFB Licensing Guidelines and SFB Operating Guidelines" on page 42.</td></tr>
<tr><td>2.</td><td><u>Restrictions relating to advances</u>:

The maximum loan size and investment limit exposure to a single and group obligor is restricted to 10% and 15% of our capital funds, respectively. In addition, at least 50% of our loan portfolio is required to constitute advances of up to ₹2.50 million, which requirement is only applicable to Small Finance Banks.

We are also prohibited from exposure in terms of advances to our Directors, companies in which our Directors are interested, our Promoters, major shareholders (holding 10% or more of our paid-up equity share capital), and entities in which our Promoters and major shareholders have significant influence or control (as defined</td><td>Our Bank is in compliance with this requirement.
The table below sets forth our total net advances of up to ₹2.50 million and such amount as a percentage of our total net advances as at the dates indicated.

<table>
<tr><th rowspan="2">Particulars</th><th colspan="2">As at September 30, 2023</th><th colspan="2">As at March 31, 2023</th><th colspan="2">As at March 31, 2022</th><th colspan="2">As at March 31, 2021</th></tr>
<tr><th>Amount (₹ in millions)</th><th>% of total net advances</th><th>Amount (₹ in millions)</th><th>% of total net advances</th><th>Amount (₹ in millions)</th><th>% of total net advances</th><th>Amount (₹ in millions)</th><th>% of total net advances</th></tr>
<tr><td>Total net advances of up to ₹2.50 million</td><td>150,872.70</td><td>71.81</td><td>141,476.86</td><td>79.66</td><td>112,750.00</td><td>86.69</td><td>104,850.00</td><td>90.39</td></tr>
<tr><td>Total net advances</td><td>210,087.10</td><td>100.00</td><td>177,595.55</td><td>100.00</td><td>130,066.74</td><td>100.00</td><td>115,996.73</td><td>100.00</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>S. No.</th><th>Regulatory Requirement</th><th>Status of compliance</th></tr>
<tr><td></td><td>under applicable accounting standards).</td><td></td></tr>
<tr><td>3.</td><td><u>Maintenance of cash reserve ratio (“CRR”) and statutory liquidity ratio (“SLR”)</u>

We are currently required to maintain a CRR of a minimum of 4.50% of our demand and time liabilities with the RBI, on which no interest is paid. Due to the COVID-19 pandemic, from the fortnight beginning on March 27, 2021, the RBI raised the minimum CRR from 3.00% to 3.50% of net demand and time liabilities, which was revised to 4.00% from the fortnight beginning on May 22, 2021, and further revised to 4.50% from May 21, 2022. In addition, we are also currently required to maintain SLR equivalent to 18.00% of our net demand and time liabilities in cash and invested in Government and other RBI-approved securities.</td><td>Our Bank is in compliance with this requirement. The table below sets forth our CRR and SLR as at the fortnights beginning on the dates indicated, which were above the minimum CRR and SLR required by the RBI as at the dates indicated
<table>
<tr><th>Particulars</th><th>As at September 30, 2023*</th><th>As at March 31, 2023</th><th>As at March 31, 2022</th><th>As at March 31, 2021</th></tr>
<tr><td>Regulatory minimum required CRR</td><td>4.82%</td><td>4.50%</td><td>4.00%</td><td>3.50%</td></tr>
<tr><td>Our CRR</td><td>4.84%</td><td>4.52%</td><td>4.02%</td><td>3.53%</td></tr>
<tr><td>Regulatory minimum required SLR</td><td>18.00%</td><td>18.00%</td><td>18.00%</td><td>18.00%</td></tr>
<tr><td>Our SLR</td><td>23.18%</td><td>30.45%</td><td>34.07%</td><td>47.94%</td></tr>
</table>
* Minimum CRR as at September 30, 2023 was 4.50% and on incremental NDTL, an additional CRR equating to 10% is to be maintained. Hence, the effective CRR requirement is included in the above table.
For further details, see “- 17. We are required to maintain a minimum cash reserve ratio (“CRR”) and statutory liquidity ratio (“SLR”). In the event that the CRR or SLR requirements applicable to us are increased in the future, our ability to make advances would be correspondingly reduced, which may adversely affect our business, financial condition, results of operations and cash flows.” on page 54.</td></tr>
<tr><td>4.</td><td><u>Maintenance of capital to risk (weighted) assets ratio (“CRAR”)</u>
As per the SFB Operating Guidelines and the Master Circular – Basel II Capital Regulations, we are required under applicable laws and regulations to maintain a minimum CRAR, which is currently 15% of the risk weighted assets (“RWAs”), on a continuous basis subject to any higher percentage as may be prescribed by the RBI from time to time, with Tier I capital of at least 7.5% of the RWAs and Tier II capital of not more than 100% of the Tier I capital.</td><td>Our Bank is in compliance with this requirement. The table below sets forth our CRAR and Tier 1 Capital as at the dates indicated.
<table>
<tr><th>Particulars</th><th>As at September 30, 2023</th><th>As at March 31, 2023</th><th>As at March 31, 2022</th><th>As at March 31, 2021</th></tr>
<tr><td>CRAR</td><td>17.50%</td><td>15.57%</td><td>15.26%</td><td>15.51%</td></tr>
<tr><td>Tier I Capital</td><td>15.73%</td><td>13.02%</td><td>11.83%</td><td>11.75%</td></tr>
</table>
For further details, see “– 18. We are required to maintain a minimum CRAR. As we continue to grow our loan portfolio and asset base, we may be required to raise additional capital in order to continue to meet applicable CRARs with respect to our business. However, we cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business.” on page 55.</td></tr>
<tr><td>5.</td><td><u>Maintenance of priority sector lending (“PSL”) requirements</u>

As a Small Finance Bank, we are required to extend at least 75% of our adjusted net bank credit (“ANBC”) to the sectors eligible for classification as PSL by the RBI, such as agriculture, MSMEs, export credit, education, housing, social infrastructure and renewable energy. 40% of our ANBC is required to be allocated to different sub-sectors under PSL as per the PSL requirements. We can allocate the remaining 35% to any one or more sub-sectors under the PSL requirements.</td><td>We were in compliance with the PSL requirements as at March 31, 2023, 2022 and 2021.
For further details, see “- 20. The priority sector lending (“PSL”) requirements applicable to a Small Finance Bank are significantly higher than the PSL limits applicable to other Scheduled Commercial Banks, which could subject us to higher delinquency rates and may limit our funding from securitizations and assignments to comply with such requirements. In case of any shortfall by us in meeting the PSL requirements, we would subsequently be required to place the allocated amount by the RBI in an account with the NABARD under the Rural Infrastructure Development Fund Scheme, or with other institutions specified by the RBI, which may earn lower rates of interest, compared to other interest-bearing securities.” on page 58.</td></tr>
</table>

<table>
<tr><th>S. No.</th><th>Regulatory Requirement</th><th>Status of compliance</th></tr>
<tr><td></td><td>The sub-targets applicable to various sectors for Fiscal 2024 are as under:
• 18% of the ANBC towards advances to agriculture, of which 10% of ANBC is prescribed for small and marginal farmers;
• 7.50% of ANBC towards advances to micro enterprises; and
• 12.00% of ANBC towards advances to weaker sections.</td><td></td></tr>
<tr><td>6.</td><td><u>Branches in Unbanked Rural Centres</u>

At least 25.00% of our total banking outlets, which comprises our Branches and business correspondent–operated banking outlets, are required to be located in Unbanked Rural Centres. Left Wing Extremism affected districts as notified by the Government are considered as equivalent to Unbanked Rural centres as per RBI guidelines. This requirement is only applicable to Small Finance Banks.</td><td>Our Bank is in compliance with this requirement.
The table below sets forth the number of our banking outlets in Unbanked Rural Centres and as a percentage of our total banking outlets as at the dates indicated.
<table>
<tr><th rowspan="2">Banking Outlets</th><th colspan="2">As at September 30, 2023</th><th colspan="2">As at March 31, 2023</th><th colspan="2">As at March 31, 2022</th><th colspan="2">As at March 31, 2021</th></tr>
<tr><th>Number of banking outlets</th><th>% of total banking outlets</th><th>Number of banking outlets</th><th>% of total banking outlets</th><th>Number of banking outlets</th><th>% of total banking outlets</th><th>Number of banking outlets</th><th>% of total banking outlets</th></tr>
<tr><td>Unbanked Rural Centres(1)</td><td>278</td><td>36.06</td><td>272</td><td>36.07</td><td>259</td><td>36.22</td><td>174</td><td>28.10</td></tr>
<tr><td>Total</td><td>771</td><td>100.00</td><td>754</td><td>100.00</td><td>715</td><td>100.00</td><td>619</td><td>100.00</td></tr>
</table>
Note:
(1) Includes Left Wing Extremism affected districts as notified by the Government, which are equivalent to Unbanked Rural Centres as per RBI guidelines.</td></tr>
<tr><td>7.</td><td><u>Compliance with stipulations in relation to maintenance of our subscribed share capital.</u>

Pursuant to Section 12(1)(i) of the Banking Regulation Act, the subscribed share capital of a banking company is required to be not less than one-half of its authorised share capital, and the paid-up share capital is required to be not less than one-half of the subscribed share capital.</td><td>Our Bank is in compliance with this requirement. However, previously, the RBI pursuant to a letter dated July 19, 2019, stated that our Bank was in non-compliance of Section 12(1)(i) of the Banking Regulation Act from the date of commencement of our operations. Our Bank responded to this notice explaining the reasons for non-compliance (i.e., being a significant increase in authorised preference share capital by Janalakshmi Finance Services Limited to allow for issuance of convertible preference shares, and subsequently, conversion of such preference shares to equity capital at a premium), seeking approval of the RBI to reduce its authorised share capital to ₹3,500 million. The RBI approved the amendment, calling upon our Bank to complete the reduction by December 31, 2019. Our Bank subsequently reduced its authorised share capital from ₹13,276,000,000 divided into 827,600,000 equity shares of ₹10 each and 500,000,000 preference shares of ₹10 each to ₹3,500,000,000 divided into 100,000,000 equity shares of ₹10 each and 250,000,000 preference shares of ₹10 each, but due to delays in MCA approval of the e-form SH-7, we were unable to effect this change by December 31, 2019. Through its letter dated January 17, 2020, the RBI granted a further extension to the deadline up to March 27, 2020, noting serious concerns on this non-compliance. Subsequently, our authorised share capital was reduced to the extent stated above on January 29, 2020. Similar non-compliance like this in future may result in further regulatory action from the RBI, which could adversely affect our business and reputation. For details on our authorised share capital and paid-up share capital, see “Capital Structure” on page 130.</td></tr>
</table>

For details relating to the compliance status of our Bank with respect to the restrictions on Equity Shares as per the RBI In-Principle Approval, RBI Final Approval, SFB Licensing Guidelines, and SFB Operating Guidelines, see “- *3. Our Bank is subject to* *restrictions relating to the Equity Shares as per the RBI In-Principle Approval, RBI Final Approval, SFB Licensing Guidelines and SFB Operating Guidelines.*" on page 42.

3. *Our Bank is subject to restrictions relating to the Equity Shares as per the RBI In-Principle Approval, RBI Final Approval, SFB Licensing Guidelines and SFB Operating Guidelines.*

The table below summarises the compliance status of our Bank with respect to the restrictions on Equity Shares as per the RBI In-Principle Approval, RBI Final Approval, SFB Licensing Guidelines, and SFB Operating Guidelines.

<table>
<tr><th>Sr. No</th><th>Particulars</th><th>Compliance status</th></tr>
<tr><td>1.</td><td>Our Bank has to be owned and controlled by residents of India in accordance with FEMA at all times from the date of commencement of our business.</td><td>Complied with.
The resident Shareholders hold 65.94% of the pre-Offer paid-up equity share capital of our Bank.</td></tr>
<tr><td>2.</td><td>Our Promoters are required to reduce their shareholding to 26.00% of our paid-up Equity Share Capital or voting rights after the completion of 15 years from the commencement of our business operations (i.e., by March 28, 2033), as per the Reserve Bank of India Guidelines on Acquisition and Holding of Shares dated January 16, 2023 read with Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023.</td><td>Complied with, to the extent applicable.
Please note that as per Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023, read along with Reserve Bank of India's Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies dated January 16, 2023, during the period prior to completion of fifteen years from the commencement of banking company, our Promoters may be allowed to hold a higher percentage of shareholding, i.e. at least 40% of the total shareholding as initial contribution which shall be gradually brought down to 26% of the total shareholding, in accordance with Reserve Bank of India's Guidelines for Licensing of Small Finance Banks in the Private Sector dated November 27, 2014. Thereafter, our Promoters' voting rights in our Bank shall be capped to 26% of the total voting rights of our Bank (i.e., the maximum voting rights permitted to be exercised by a promoter in a banking company, after completion of fifteen years from commencement of business of banking company. Our Promoters hold 25.20% of our pre-Offer paid-up Equity Share Capital on a fully diluted basis. Following the Offer, our Promoters will hold 22.52% of our post-Offer paid-up equity share capital on a fully diluted basis. For further details, see "- 54. Our Promoters will continue to exercise significant influence over our Bank after the completion of the Offer" on page 98.</td></tr>
<tr><td>3.</td><td>A strategic non-Promoter investor should not hold more than 20% or more of the share capital of our Promoters at any time from the date of commencement of our business operations.</td><td>Complied with.
No strategic non-promoter investor of our Bank holds more than 20% or more of the share capital of our Promoters, i.e., JCL and JHL. For further details, see "Our Promoters and Promoter Group-Details of our Promoters" on page 365.</td></tr>
<tr><td>4.</td><td>Our Bank is required to maintain a minimum paid-up equity share capital and a net worth of ₹1,000 million.</td><td>The table below sets forth the Bank's paid-up equity share capital and net worth as at September 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021:
(₹ in millions)
<table>
<tr><th>Particulars</th><th>As at September 30,</th><th colspan="3">As at March 31,</th></tr>
<tr><th></th><th>2023</th><th>2023</th><th>2022</th><th>2021</th></tr>
<tr><td>Paid-up equity share capital</td><td>3,435.26</td><td>3,249.79(1)</td><td>2,014.12(2)</td><td>2,007.27(3)</td></tr>
<tr><td>Net Worth</td><td>25,471.08</td><td>17,770.69</td><td>11,845.58</td><td>11,007.65</td></tr>
</table>
(1) Includes the preference share capital aggregating to ₹2,700.00 million divided into 270 million preference shares of ₹10 each.
(2) Includes the preference share capital aggregating to ₹1,500.00 million divided into 150 million preference shares of ₹10 each.
(3) Includes the preference share capital aggregating to ₹1,500.00 million divided into 150 million preference shares of ₹10 each.</td></tr>
<tr><td>5.</td><td>No Shareholder will be entitled to exercise voting rights in excess of 26% of the total voting rights of all Shareholders;</td><td>Complied with.
Please note that, except for our Promoter, JCL, no Shareholders holds more than 26% of the pre-Offer Equity Share capital of our Bank, and as per applicable law, JCL's voting rights are capped to 26% of the total voting rights of all Shareholders. For further details, see "- 85. Investors will not, without prior approval of the RBI, be able to acquire Equity Shares if such acquisition would result in an individual or group holding 5% or more of our share capital or voting rights directly or indirectly. Further, no Shareholder will be permitted to exercise voting rights in excess of 26% of the total voting rights of our Bank." on page 112.</td></tr>
<tr><td>6.</td><td>An investor proposing to acquire shares in our Bank (directly or indirectly) where the aggregate holding of such investor, their relatives, associate enterprise or persons acting in concert (within the meaning of</td><td>Complied with.
Please note that as of the date of the Red Herring Prospectus, investors of our Bank (i.e. TPG Asia VI SF Pte. Ltd., Amansa Holdings Pte. Ltd., HarbourVest Entities and North Haven Private Equity Asia Platinum Pte. Ltd) whose aggregate holding along with their respective relatives, associate enterprise or persons acting in</td></tr>
</table>

Sr. No	Particulars	Compliance status
	Regulation 2(1)(q)(1) of the Takeover Regulations) entitles the investor to hold 5% or more of the paid-up share capital of our Bank or 5% or more of the voting rights in our Bank will need to apply for the RBI's approval; and	concert (within the meaning of Regulation 2(1)(q)(1) of the Takeover Regulations) is 5% or more of the paid-up share capital of our Bank or 5% or more of the voting rights in our Bank, have obtained approval from RBI. For further details, see "– *85. Investors will not, without prior approval of the RBI, be able to acquire Equity Shares if such acquisition would result in an individual or group holding 5% or more of our share capital or voting rights directly or indirectly. Further, no Shareholder will be permitted to exercise voting rights in excess of 26% of the total voting rights of our Bank*." on page 112.
7.	The Equity Shares were required to be listed on a stock exchange in India within three years from the date of commencement of our banking business, i.e., on or before March 27, 2021.	Not complied with. We filed the draft red herring prospectus dated March 31, 2021 (the "**2021 DRHP**") with SEBI and received the letter bearing reference number SEBI/HO/CFD/DIL1/OW/P/2021/14928/1, dated July 9, 2021, from SEBI on the 2021 DRHP. However, we have not been able to complete our initial public offering within the timelines prescribed in the SFB Licensing Guidelines and the RBI Final Approval, due to market conditions. We have re-initiated the initial public offering process and are working towards completing the listing of the Equity Shares and meeting the licensing conditions. For further details, see *"- 2. We are subject to stringent regulatory requirements and prudential norms, some of which are more onerous than for banks that are not Small Finance Banks, like us. We have not been able to comply with certain provisions of the SFB Licensing Guidelines and the RBI Final Approval. As a result, the RBI may take regulatory action against us, which could include imposition of monetary penalties, revocation of the RBI Final Approval or such other penal actions and restrictions deemed fit by the RBI, the imposition of any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 39.
8.	Our Bank is required to identify JCL as the sole Promoter of our Bank.	Not complied with. Under the conditions set out in the RBI Final Approval dated April 28, 2017, JCL is required to be the sole promoter of our Bank. We have identified both JCL and JHL as the 'promoters' of our Bank in this Prospectus in accordance with the applicable provisions of the SEBI ICDR Regulations, since JHL and JCL have decided not to go ahead with their proposed scheme of amalgamation (merger). The same has been intimated to the RBI pursuant to our letters dated June 29, 2023 and July 4, 2023 ("**Intimation Letters**"). Since the date of Intimation Letters, the RBI has not issued any further correspondence on this matter. Please note that there is no prescribed requirement for a specific approval from the RBI for identifying JCL and JHL as the 'promoters' of our Bank. For further details, see *"- 2. We are subject to stringent regulatory requirements and prudential norms, some of which are more onerous than for banks that are not Small Finance Banks, like us. We have not been able to comply with certain provisions of the SFB Licensing Guidelines and the RBI Final Approval. As a result, the RBI may take regulatory action against us, which could include imposition of monetary penalties, revocation of the RBI Final Approval or such other penal actions and restrictions deemed fit by the RBI, the imposition of any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 39.

4. *There have been irregularities in certain regulatory filings made by us with the RoC under applicable law and delays in submitting regulatory filings with the RBI. Further, certain of our statutory and regulatory records are untraceable. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Bank in the future in relation to such missing corporate records or irregular filings.*

We manage our internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. For instance, we are unable to trace certain corporate and other documents in relation to our Bank, including certified true copies of the Board and Shareholders' resolutions approving further issue of equity shares and CCPS allotted on March 31, 2008 and March 4, 2010, certified true copies of the Shareholders' resolutions approving further issue of equity shares and CCPS allotted on November 10, 2006 and March 26, 2009, valuation reports for the Equity Shares allotted on November 10, 2006, March 31, 2008, March 4, 2010, June 23, 2011, and CCPS allotted on July 12, 2012. In the absence of such records, we have relied on returns of allotment, minutes of the meetings of the Board, minutes of the meetings of the general meetings of our Bank, and statutory registers in order to ascertain details of such allotments. We cannot assure you that these documents will be made available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authorities in this respect.

Further, in the past, there have been certain delays in filing of certain regulatory forms with the RBI, for instance the Form FCGPR for the allotment of convertible securities on June 30, 2023. While we have paid the late submission fee for such delay in submission, there is no assurance that the RBI will not take any action against us.

We have also, in certain cases, filed incorrect or incomplete returns of allotment with the RoC. For instance, we have indicated incorrect details as regards the issue price in the return of allotment filed in respect of the allotment of Equity Shares made on March 4, 2010. We have also not attached valuation reports, where available and applicable, to the returns of allotment filed the Companies Act. There can be no assurance that the RoC will not take an adverse view of these irregularities, or that we will not be subject to any penalties by the RoC in this respect. RBI was not informed of certain irregularities in our regulatory filings and of the missing corporate records, as there is no requirement to inform RBI regarding the same.

With the expansion of our operations there can be no assurance that such non-compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such non-compliances, in a timely manner or at all. Any penalty or regulatory action taken against us may adversely impact our cash flows and results of operations.

5. ***Our non-convertible debentures are listed on the BSE and we are subject to rules and regulations with respect to such listed non-convertible debentures. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, which may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our non-convertible debentures are listed on the debt segment of the BSE. We are required to comply with various applicable rules and regulations, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021 and applicable provisions of the Listing Regulations, in terms of our listed non-convertible debentures. Since April 1, 2020, we have been compliant with the various applicable rules and regulations. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, including, without limitation, restrictions on the further issuance of securities and the freezing of transfers of securities, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

For details of such listed non-convertible debentures, see "*Financial Indebtedness – Details of listed non-convertible debentures issued by the Bank*" on page 509.

6. ***We may be unable to maintain or renew our statutory and regulatory permits, licences and approvals required to operate our business, which may adversely affect our business, financial condition, results of operation and cash flows.***

We are required to maintain a number of statutory and regulatory permits and approvals to operate our business under central, state and local government rules in India. These include approvals from the RBI for various aspects of our banking operations (including for services such as Centralised Payment Systems viz. NEFT, RTGS and limited foreign exchange business as per AD-II category license), approvals to commence and operate mobile banking services and registrations from other regulatory authorities, such as the IRDAI for acting as a Category Corporate Agent (Composite) and PFRDA to transact in pension schemes. We may not, at all points of time, have all approvals required for our business. Further, in relation to our Branches, certain approvals may have lapsed in their normal course and our Bank has either made an application to the appropriate authorities for renewal of such registration or in the process of making such application.

In the event that we are unable to comply with any or all of these terms and conditions or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the RBI may impose monetary or other penalties on our Bank and place restrictions on our Bank's operations. This may result in the interruption of some or all of our operations. Further, our approvals and licenses are subject to numerous conditions, some of which are onerous and may require us to incur substantial expenditure in order to comply with such conditions. We cannot assure you that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked, or that applicable penalties will not be imposed on us in the event of non-compliance with any terms and conditions. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

7. ***The RBI is required to approve candidates proposed to be appointed as chairman, managing director and executive director. Additionally, the RBI has the power and the authority to remove any employee or managerial person under certain circumstances.***

The Banking Regulation Act confers powers on the RBI to remove from office any director, chairman, chief executive officer or other officers or employees of a bank in certain circumstances, such as if the RBI is satisfied that such removal is in the public's interest or to prevent the affairs of a bank from being conducted in a manner detrimental to the interests of the depositors. The RBI also has the powers to supersede the board of directors of a bank and appoint an administrator to manage the bank for a period of up to 12 months in certain circumstances, and to penalise a bank's management by way of freezing remuneration levels and/ or other measures. The RBI may exercise powers of supersession where it is satisfied, in consultation with the Government that it is in the public's interest to do so, to prevent the affairs of any bank from being conducted in a manner that is detrimental to the interest of the depositors, or to secure the proper management of any bank. Should any of the steps as explained herein be taken by the RBI against our Bank, our reputation, business, results of operations, financial conditions and cash flows would be materially and adversely affected.

8. ***Any non-compliance with mandatory AML, KYC and CFT laws and regulations could expose us to liability and harm our business and reputation.***

In accordance with the requirements applicable to banks in India, we are mandated to comply with applicable anti-money laundering ("**AML**"), know your client ("**KYC**") and combatting financing of terrorism ("**CFT**") regulations. These laws and regulations require us, among other things, to adopt and enforce AML, KYC and CFT policies and procedures. Our reputation and business could suffer if any such parties use or attempt to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

Although we believe that we have adequate internal policies, process, systems and controls in place to prevent and detect AML and CFT activity and ensure KYC compliance, if we fail to comply with such laws and regulations, for any reason, we may be subject to regulatory actions, including imposition of fines and other penalties by the regulatory authorities and relevant government agencies to whom we report. We are unaware of any material breaches by us of any AML, CFT and KYC regulations since April 1, 2020.

9. ***Due to the non-updating of their Aadhaar numbers by certain of our employees with the Pension Fund Regulatory and Development Authority ("PFRDA"), we were unable to deposit the provident fund payments for such employees with the PFRDA. All such amounts have been remitted to an escrow account. We deposit the provident fund payments for such employees with the PFRDA once we receive their updated Aadhaar numbers. We are subject to an interest levy payable on the amounts that are required to be deposited with the PFRDA until the date such amounts are deposited with the PFRDA.***

Due to the non-updating of their Aadhaar numbers by certain of our employees with the PFRDA, we have been unable to deposit the provident fund payments for such employees with the PFRDA. All such amounts have been remitted to an escrow accounts and we deposit the provident fund payments for such employees with the PFRDA once we receive their updated Aadhar numbers. As we have deposited the provident fund payments not deposited with the PFRDA in an escrow account, the subsequent transfer of any such amounts to the PFRDA has no material effect on our financial condition, results of operations or cash flows. However, we are subject to an interest levy payable on the amounts that are required to be deposited with the PFRDA until the date such amounts are deposited with the PFRDA under the provisions of Employees Provident Fund Act, 1952 or the Employees' Provident Funds Scheme, 1952.

The table below sets forth the total provident fund payments not deposited with the PFRDA and the provident fund payments not deposited with the PFRDA and held in an escrow account as at the dates indicated as well as the interest levy payable on the amounts that are required to be deposited with the PFRDA until the date such amounts are deposited with the PFRDA and the amount transferred from the escrow account to the PFRDA for the period and years indicated.

Particulars	**As at and for half year ended September 30,**	**As at and for the year ended March 31,**		
	2023	**2023**	**2022**	**2021**
	(₹ in millions)			
Provident fund payments not deposited with the PFRDA as at	11.00	16.36	5.91	30.15

Particulars	As at and for half year ended September 30,	As at and for the year ended March 31,		
	2023	2023	2022	2021
	(₹ in millions)			
the end of the period/ year				
Provident fund payments not deposited with the PFRDA and held in an escrow account as at the end of the period/ year	11.00	16.36	5.91	30.15
Interest levy payable on the amounts that had not been deposited with the PFRDA	3.78	1.52	1.24	5.71
Amount transferred from the escrow account to the PFRDA during the year	5.36	22.08	24.24	-

Financial Risks

10. ***A high Illiquidity Ratio indicates that a bank holds a low amount of liquid assets, which affects its ability to pay its debt obligations and short-term liabilities. If we are unable to decrease our Illiquidity Ratio, it could have an adverse effect on our business, financial condition, results of operations and cash flows.***

The table below sets forth our Bank's Illiquidity Ratio as at the dates indicated:

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	(₹ in millions, except percentages)			
Illiquidity Ratio (1)(*) (%)	40.24%	32.75%	46.16%	30.44%

Notes:

*(1) Illiquidity Ratio = (Volatile Liabilities - Temporary Assets) / (Basic Earning Assets - Temporary Assets). Volatile Liabilities are deposits payable within one year + borrowings from RBI + Call borrowings + borrowings from other institutions + Refinance + bills payable up to 1 year + letters of credit + component-wise Credit Conversion Factor of other contingent credit ("**Volatile Liabilities**"). Temporary Assets are Cash in hand + Excess Cash Reserve Ratio maintained with RBI + Balances with banks + bills purchased / discounted with residual maturity up to one year + Investments with residual maturity up to one year + Swap funds (sell/ buy) with residual maturity up to one year ("**Temporary Assets**"). Basic Earning Assets are total assets – fixed assets - balances in current accounts with other banks - other assets excluding leasing - intangible assets ("**Basic Earning Assets**").*

(*) Non-GAAP Financial Measure

As noted in the RBI Inspection report, our Bank's illiquidity ratio was 46.16% as at March 31, 2022, as against industry average of 40% (as per the RBI), indicating our Basic Earning Assets were supported by Volatile Liabilities. A high Illiquidity Ratio indicates that a bank holds a low amount of liquid assets, which affects its ability to pay its debt obligations and short-term liabilities. Our Illiquidity Ratio improved to 40.24% as at September 30, 2023, which was primarily due to an increase in our Basic Earning Assets. However, we cannot assure you this improvement will be sustained and if our Bank's Illiquidity Ratio increases, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

11. ***A low Core Deposit Ratio means that a bank has less assets that are backed by deposits, and indicates that the bank has low liquidity. If we are unable to increase our Core Deposits Ratio, it could have an adverse effect on our business, financial condition, results of operations and cash flows.***

The table below sets forth our Core Deposit Ratio as at the dates indicated:

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	(₹ in millions, except percentages)			
Core Deposit Ratio[1][*] (%)	40.19%	38.31%	36.03%	35.35%

Notes:

*(1) Core Deposit Ratio is Core Deposits divided by total assets. Core Deposits are demand deposits + savings deposits +term deposits with a tenure of above one year (as reported in structural liquidity statement) + capital + reserves and surplus ("**Core Deposits**")*

(*) Non-GAAP Financial Measure.

As noted in the RBI Inspection report, our Bank's Core Deposit Ratio was 36.03% as at March 31, 2022, as against the industry average of 50.00% (as per the RBI), indicating that 63.97% of our total assets were funded through an unstable deposit base. A low Core Deposit Ratio means that a bank has less assets that are backed by deposits, and indicates that the bank has low liquidity. Our Core Deposits Ratio improved to 40.19% as at September 30, 2023, which was primarily due to an increase in our Core Deposits. However, we cannot assure you this improvement will be sustained and if our Bank's Core Deposit Ratio decreases, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

12. ***A high Illiquid Assets Ratio may affect a bank's ability to pay its liabilities. If we are unable to decrease our Illiquid Assets Ratio, it could have an adverse effect on our business, financial condition, results of operations and cash flows.***

The table below sets forth our ratio of Illiquid Assets to Core Deposits ("***Illiquid Assets Ratio")*** as at the dates indicated:

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	(₹ in millions, except percentages)			
Illiquid Assets Ratio (%) [*]	221.72%	212.94%	252.97%	205.32%

Notes:

*(1) Illiquid Assets Ratio is the ratio of Illiquid Assets to Core Deposits. Illiquid Assets is the sum of loans + mandatory SLR + mandatory CRR + fixed assets ("**Illiquid Assets**").*

(*) Non-GAAP Financial Measure.

As noted in the RBI Inspection report, our Bank's Illiquid Assets Ratio as at March 31, 2022 was 252.97%, signifying a higher degree of illiquidity embedded in our Bank's balance sheet. A high Illiquid Assets Ratio may adversely affect a bank's ability to pay its liabilities. Our Illiquid Assets Ratio increased to 221.72% as at September 30, 2023, which was primarily due to an increase in our Core Deposits. The maturity of deposits has been being calculated on the basis of contractual maturity for deposits and a fixed ratio for CASA. As our Bank moves towards calculating our Core Deposits based on a behavioural pattern of maturity of deposits, we expect our Illiquid Assets Ratio to improve. This change will be implemented in the fourth quarter of Fiscal 2024. However, we cannot assure you this improvement will be sustained and if our Bank's Illiquid Assets Ratio increases, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

13. ***We have made new loans to microfinance loan borrowers who had NPAs ("Microfinance NPA Borrowers"), with earlier NPAs being netted off with the proceeds of new loans, which poses a risk of further deteriorating asset quality and increasing credit risk.***

The table below sets forth the number of Microfinance NPA Borrowers granted new loans and such loans as percentage of the total number of new loans granted, the amount of new loan disbursed to Microfinance NPA Borrowers and such loans as percentage of the total amount of loans disbursed by our Bank for the following periods and years:

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
Number of Microfinance NPA Borrowers granted new loans [A]	218	1,814	1,224	31,118	606
Total number of new loans granted [B]	807,691	693,924	1,514,481	125,999	999,180
Number of Microfinance NPA Borrowers granted	0.03%	0.26%	0.08%	2.18%	0.06%

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
new loans as a percentage of new loans granted [C = A/B] (%)					
Amount of new loans disbursed to Microfinance NPA Borrowers [D] (₹ in millions)	14.50	83.30	70.25	1,584.23	27.64
Total amount of loans disbursed [E] (₹ in millions)	84,182.28	65,204.16	148,117.18	115,862.61	76,244.62
Amount of new loans disbursed to Microfinance NPA Borrowers as a percentage of the total amount of loans disbursed [F = D/E] (%)	0.02%	0.13%	0.05%	1.37%	0.04%

In order to help revive the livelihood of our microfinance customers adversely affected by the effects of COVID-19, we offered additional credit to Standard Customers (which are borrowers with advances that are not NPAs ("**Standard Customers**")). Of the eligible Standard Customers identified by us, approximately 30% received advances under the programme during Fiscal 2022. Both our Bank and our customers were adversely affected by the second wave of COVID-19, resulting in serious disruptions to our and their businesses. This resulted in some advances to Standard Customers becoming NPAs before new loans could be extended.

The fact that our Bank had made new loans to existing NPA borrowers, with earlier NPAs being netted off with the proceeds of the new loans was noted in the RBI Inspection report. Granting new loans to existing Microfinance NPA Borrowers, with the aim of offsetting earlier NPAs, introduces significant risks for our Bank. Firstly, this strategy may prolong asset quality concerns, as some borrowers may still struggle with repayment, potentially leading to further deterioration in our loan portfolio. Secondly, there is an increased credit risk associated with extending loans to borrowers with a history of non-repayment, as it may result in a higher likelihood of defaults on these new loans, exacerbating the magnitude of NPAs and necessitating additional provisioning. Additionally, regulatory scrutiny, liquidity and capital strain, recovery uncertainty, and potential damage to investor confidence and reputation are notable concerns linked to this approach. To address this issue and prevent similar issues recurring, the lead list generated for net off is scrubbed to ensure that no potential NPA customer could be eligible for top up loans. All NPA accounts are red-flagged on the CRM application. This will help ensure that new loans to NPA customers are prevented by the system from being booked. Furthermore, a secondary level of check is performed for all disbursements prior to disbursal. To cater for any failures in these measures, a manual process has been defined to ensure NPA tagging and provisioning as per IRAC-P norms at the month end in the exceptional situations where such loans are booked. NPA customers with unsecured exposure, mainly microfinance loans, do borrow gold loans from us. We allow the same as it strengthens our security position, and we mark the new loan as an NPA, suspend the interest and take the required provision. These controls have been reviewed by our Internal Audit and they have found the same to be working satisfactorily. However, we cannot assure that these new controls and procedures will eliminate all new loans to NPA customers and that any such new loans would not have an adverse effect on our financial condition, results of operations or cash flows.

14. ***If we are unable to control the level of our non-performing assets ("NPAs") or if we are unable to maintain adequate provisioning coverage or if there is any change in regulation-mandated provisioning requirements, our financial condition and results of operations could be adversely affected.***

The tables below set forth and our and our peers gross NPAs as a percentage of gross advances ("**Gross NPA %**"), net NPAs as a percentage of net advances ("**Net NPA %**") and Provision Coverage Ratio as at the dates indicated.

Gross NPA %[(1)]	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Our Bank	2.44%	3.94%	5.71%	7.24%
AU Small Finance Bank Limited	1.91%	1.66%	1.98%	4.25%
Equitas Small Finance Bank Limited	2.12%	2.76%	4.24%	3.73%

Gross NPA %[1]	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Ujjivan Small Finance Bank Limited	2.35%	2.88%	7.34%	7.07%
Suryoday Small Finance Bank Limited	2.90%	3.13%	11.80%	9.41%
Bandhan Bank Ltd.	7.30%	4.87%	6.46%	6.81%
Credit Access Grameen Limited	0.77%	1.21%	3.12%	4.38%
Spandana Sphoorthy Financial Limited	1.40%	1.95%	15.00%	5.60%
Fusion Micro Finance Limited	2.68%	3.46%	5.71%	5.50%
Utkarsh Small Finance Bank Limited	2.81%	3.23%	6.10%	3.75%
ESAF Small Finance Bank Limited	NA	2.5%	7.8%	6.7%
Fincare Small Finance Bank Limited	1.59%	3.3%	7.8%	6.4%
Capital Small Finance Bank Limited	2.73%	2.8%	2.5%	2.1%

Note:

1. *Gross NPA % as reported by the companies.*

(Source: Fitch Report)

Net NPA %[1]	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Our Bank	0.87%	2.64%	3.95%	5.33%
AU Small Finance Bank Limited	0.60%	0.42%	0.50%	2.18%
Equitas Small Finance Bank Limited	0.91%	1.21%	2.47%	1.58%
Ujjivan Small Finance Bank Limited	0.09%	0.04%	0.61%	2.93%
Suryoday Small Finance Bank Limited	1.46%	1.55%	5.97%	4.73%
Bandhan Bank Ltd.	2.30%	1.17%	1.66%	3.51%
Credit Access Grameen Limited	0.24%	0.35%	0.94%	1.37%
Spandana Sphoorthy Financial Limited	0.42%	0.58%	6.20%	3.10%
Fusion Micro Finance Limited	0.65%	0.87%	1.71%	2.20%
Utkarsh Small Finance Bank Limited	0.16%	0.39%	2.31%	1.33%
ESAF Small Finance Bank Limited	NA	1.13%	3.92%	3.88%
Fincare Small Finance Bank Limited	0.77%	1.30%	3.55%	2.80%

Note:

1. *Net NPA % as reported by the companies. Net NPA % for Capital Small Finance Bank as at September 30, 2023 and March 31, 2023, 2022, and 2021 is not included in the Fitch Report.*

   (Source: Fitch Report)

Provision Coverage Ratio[1] (%)	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Our Bank[2]	64.92%	34.01%	32.19%	27.89%
AU Small Finance Bank Limited	69.00%	75.00%	75.00%	50.00%
Equitas Small Finance Bank Limited	57.72%	56.90%	42.73%	58.59%
Ujjivan Small Finance Bank Limited	96.00%	98.00%	92.20%	60.34%
Suryoday Small Finance Bank Limited	50.50%	51.43%	69.83%	63.73%

Provision Coverage Ratio[(1)] (%)	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Bandhan Bank Ltd.	70.00%	76.82%	87.23%	67.38%
Credit Access Grameen Limited	69.31%	71.58%	70.55%	NA
Spandana Sphoorthy Financial Limited	70.00%	70.00%	NA	NA
Fusion Micro Finance Limited	76.39%	75.50%	71.26%	NA
Utkarsh Small Finance Bank Limited [(2)]	94.60%	88.29%	63.62%	65.49%
ESAF Small Finance Bank Limited	NA	56.67%	59.38%	52.77%
Fincare Small Finance Bank Limited	52.03%	60.82%	78.16%	73.68%

Note:

1. *Except as noted, Provision Coverage Ratio represents the ratio of NPA provision, including technical write off, to Gross NPAs, including technical write off. Provision Coverage Ratio of Capital Small Finance Bank as at September 30, 2023 and March 31, 2023, 2022, and 2021 is not included in the Fitch Report.*
2. *Provision Coverage Ratio excluding technical write-off.*
   (Source: Fitch Report, except for our Bank)

Our Gross NPA % was 2.44% as at September 30, 2023, which was amongst the lowest compared to our peers in the table above. Our Net NPA % was 0.87% as at September 30, 2023, which was amongst the lowest compared to our peers in the table above. Our Provision Coverage Ratio was 64.92% as at September 30, 2023, which ranked as the sixth highest compared to our peers in the table above.

Provisions for NPAs are created by a charge to our profit and loss account and are currently subject to minimum provisioning requirements, linked to the ageing of NPAs and other matters as specified in RBI circulars. Guidelines around NPA provisioning applicable to our Bank are specified under RBI regulations, including RBI's master circular DOR.No.STR.REC.55/21.04.048/2021-22 on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances", dated October 1, 2021, which sets forth consolidating instructions / guidelines issued to banks until September 30, 2021, the RBI's master circular DOR.STR.REC.4/21.04.048/2022-23 on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances", dated April 1, 2022, which sets forth consolidating instructions / guidelines issued to banks until March 31, 2022, and the RBI's master circular DOR.STR.REC.3/21.04.048/2023-24 on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances", dated April 1, 2023, which sets forth consolidating instructions / guidelines issued to banks until March 31, 2023. In addition to the relevant regulatory minimum provisioning, we also consider our internal estimate for loan losses and risks inherent in the credit portfolio when deciding on the appropriate level of provisions. The determination of a suitable level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks and future trends, all of which may be subject to material changes. Any incorrect estimation of risk may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio. We may need to make further provisions if there is dilution/ deterioration in the quality of our security or downgrading of the account or recoveries with respect to such NPAs do not materialise in time or at all. Accordingly, if we are unable to control the level of our NPAs, it would have an adverse effect on our financial condition, results of operations and cash flows. For a discussion on the reasons for changes in our NPAs, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Financial Condition, Results of Operations and Cash Flows – Non-Performing Advances and Provisions and Write-offs for Non-Performing Advances as well as Provisions for Standard Assets and Restructured Standard Assets*" on page 467. Our NPAs may increase in the future, due to several factors, including adverse effects on our borrowers' businesses or incomes, a rise in unemployment, slow business growth, changes in customer behaviour and demographic patterns and Government and state government policies and regulations (including agricultural loan waivers that may affect our agricultural and allied loans advances in the short-term).

In addition, the RBI has from time to time introduced more stringent classification and provisioning requirements. For example, on November 12, 2021, the RBI issued clarifications with respect to the master circular DOR.No.STR.REC.55/21.04.048/2021-22 on "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances" dated October 1, 2021, as updated on April 1, 2022, which clarified that the classification of borrower accounts as special mention accounts or NPAs will be on a day-end position basis, credit weakness, along with the record of recovery and accounts can only be upgraded from an NPA to a 'standard' asset after the clearance of all outstanding dues (in other words, only if the entire arrears of interest and principal are paid by the borrower), including in instances where the borrowers have more than one credit facility from a bank. We aligned our definition of default from the number of instalments outstanding approach to the days past due approach. On February 15, 2022, by its notification RBI/2021-2022/158/DOR.STR.REC.85/21.04.048/2021-22 ("**RBI Clarification**"), the RBI deferred the implementation of Paragraph 10 of the "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances" circular until September 30, 2022 to provide all commercial banks (including Small Finance Banks, Local Area Banks and Regional Rural Banks) with time to put in place necessary systems to implement this provision. Accordingly, in accordance with the RBI Clarification, we implemented the change in income recognition, asset classification and provisioning norms from September 30, 2022. If the RBI continues to impose increasingly stringent classification requirements regarding NPAs and provisioning for such assets, the level of NPAs could increase, and the overall quality of our loan portfolio could deteriorate.

15. ***Our unsecured loans have a higher credit risk than our secured loans because the vast majority of those loans are Microfinance Loans and customers availing Microfinance Loans have limited sources of income (annual household income of up to ₹300,000) and savings and, as such, generally do not have a high level of financial resilience and unsecured loans are not supported by collateral. If we are unable to recover such advances in a timely manner or at all, our financial condition, results of operations and cash flows would be adversely affected.***

All of our individual and micro business loans, agricultural and allied loans, and group loans are unsecured. The vast majority of our unsecured loans are Microfinance Loans. Customers availing our Microfinance Loans have limited sources of income (annual household income of up to ₹300,000) and savings and, as such, generally do not have a high level of financial resilience. The table below sets forth our gross unsecured loans by category and as a percentage of our total gross advances and our gross unsecured loans that are NPAs and as a percentage of our total gross unsecured advances as at the dates provided.

Particulars	**As at September 30, 2023**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
	(₹ in millions, except for percentages)			
Gross Microfinance Loans[(1)]:				
Gross individual and micro business loans	47,481.50	42,869.91	28,912.57	10,843.91
Gross agricultural and allied loans	36,141.39	30,944.43	18,770.00	15,510.70
Gross group loans	6,756.60	6,414.88	13,191.17	38,590.26
Total Gross Microfinance Loans	***90,379.49***	***80,229.22***	***60,873.74***	***64,944.87***
Gross Non-Microfinance Loans:				
Gross unsecured working capital loans and overdraft facilities to micro and small enterprises based on their GST returns [(2)]	514.42	730.65	1,358.20	2,684.95
Total gross Non-Microfinance Loans	***514.42***	***730.65***	***1,358.20***	***2,684.95***
Total gross unsecured advances [A]	**90,893.92**	**80,959.87**	**62,231.95**	**67,629.82**
Gross unsecured loans as a percentage of our total gross advances [B = A/C] (%)	42.58%	44.98%	46.97%	57.12%
Total gross advances [C]	213,471.30	180,007.41	132,503.20	118,389.82
Gross NPAs of unsecured advances [D]	3,085.31	6,210.68	6,999.31	6,484.21
Gross NPAs of unsecured advances as a percentage of gross unsecured advances [E = D/A]	3.39%	7.67%	11.25%	9.59%

Notes:

1. *The RBI Regulatory Framework for Microfinance Loans Direction, 2022, which was effective from October 17, 2022, defines microfinance loans as follows: (i) a microfinance loan is defined as a collateral-free loan given to a household having annual household income up to ₹300,000. For this purpose, the household shall mean an individual family unit, i.e., husband, wife and their unmarried children. (ii) All collateral-free loans, irrespective of end use and mode of application/ processing/ disbursal (either through physical or digital channels), provided to low-income households, i.e., households having annual*

income up to ₹300,000, shall be considered as microfinance loans. (iii) To ensure collateral-free nature of the microfinance loan, the loan shall not be linked with a lien on the deposit account of the borrower. (iv) The bank shall have a board-approved policy to provide the flexibility of repayment periodicity on microfinance loans as per borrowers' requirements. Prior to the effective date of the RBI Regulatory Framework for Microfinance Loans Direction, 2022, we considered all of our unsecured loans (except unsecured working capital loans and overdraft facilities to micro and small enterprises based on their GST returns) to be microfinance loans. Therefore, as used herein, "Microfinance Loans" means all of our unsecured loans except unsecured working capital loans and overdraft facilities to micro and small enterprises based on their GST returns up to and including October 16, 2022 and from and including October 17, 2022, it has the meaning given to that term in the RBI Regulatory Framework for Microfinance Loans Direction, 2022.

2. *We no longer offer this product and are winding down these advances.*

In addition, unsecured loans have a higher credit risk than secured loans because they are not supported by collateral. Since these advances are unsecured, in the event of defaults by such customers, our ability to realise the amounts due to us would be restricted to initiating legal proceedings for recovery. There can be no guarantee as to the amount of our resources that would be utilised and the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a decision favourable to us. The table below sets forth our provision for litigation and our contingent liabilities for litigation as at the dates indicated.

Particulars	**As at September 30, 2023**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
	(₹ in millions)			
Provision for litigation	Nil	Nil	Nil	Nil
Contingent liabilities for litigation	Nil	Nil	Nil	Nil

In order decrease the risk in our loan book, our recent focus has been on growing our secured loans and, as result, our gross unsecured loans as a percentage of gross advances have decreased from 57.13% as at March 31, 2021 to 42.58% as at September 30, 2023. Through our focus on growing secured advances, we plan to materially decrease our unsecured loans as a percentage of our gross advances. For details, see "*Our Business–Our Strategies–Focus on accelerating secured loans book with the purpose of meeting customers' needs and diversifying our lending book*" on page 267. However, our unsecured loans are and will remain material to our business and any failure to recover the full amount of principal and interest on unsecured advances could adversely affect our financial condition, results of operations and cash flows.

16. ***We are subject to interest rate risk, the occurrence of which would have an adverse effect on our Net Interest Margin, which would adversely affect our Net Interest Income and, in turn, our results of operations and cash flows. In addition, an increase in interest rates would result in a decrease in the value of our fixed income securities, which could adversely affect our financial condition, results of operations and cash flows.***

Our results of operations are substantially dependent upon the amount of our net interest income, which we define as interest earned less interest expended ("**Net Interest Income**"). Our Net Interest Income is significantly dependent on our average total interest-earning assets, which are total interest-earning assets calculated on the basis of the average of the opening balance at the start of the relevant year and the closing balance as at quarter end for all quarters in the relevant year ("**Average Total Interest-Earning Assets**") and our Net Interest Margin, which is the ratio of Net Interest Income to Average Total Interest-Earning Assets ("**Net Interest Margin**"). The table below sets forth our Net Interest Income, Average Total Interest-Earning Assets and Net Interest Margin for the periods and years indicated.

Particulars	**Half year ended September 30,**		**Year ended March 31,**		
	2023	**2022**	**2023**	**2022**	**2021**
	(₹ in millions, except for percentages)				
Interest earned [A]	18,639.41	13,962.26	30,750.10	27,265.35	24,977.28
Interest expended [B]	8,763.07	6,443.64	14,149.90	13,367.52	12,345.79
Net Interest Income(*) [C = A - B]	9,876.34	7,518.62	16,600.20	13,897.83	12,631.49
Average Total Interest-Earning Assets [D]	247,806.49	196,709.24	214,677.72	189,862.25	151,169.82
Net Interest	7.78%	7.47%	7.73%	7.32%	8.36%

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions, except for percentages)				
Margin(*) (%) [E = C/D]					

Note:

(*) Non-GAAP Financial Measure.

The table below sets forth the amount and percentage of our net advances, investments, deposits and borrowings on fixed or floating interest rates as at the date provided.

Particulars	As at September 30, 2023			
	Floating interest rates		Fixed interest rates	
	Amount (₹ in millions)	% on floating interest rates	Amount (₹ in millions)	% on floating interest rates
Net advances	2,426.18	1.15%	207,660.92	98.85%
Investments	-	-	55,091.94	100.00%
Deposits	-	-	189,367.24	100.00%
Borrowings	411.23	0.77%	52,724.20	99.23%

We have a very high percentage of fixed interest rate advances as at September 30, 2023 due to the fact that all of our advances are given at fixed interest rates for the first 39 months post disbursement.

In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our Cost of Funds, and conversely, in a declining interest rate environment, if our Cost of Funds does not decline simultaneously with or to the same extent as the yield on our interest-earning assets, our Net Interest Income and Net Interest Margin would be adversely impacted. While any reduction in the interest rates we pay on our deposits and borrowings may be passed on to customers for our loans, we are unable to pass on any increase in interest rates at which we lend to our customers who have existing loans on fixed interest rates. Competitive pressure may also require us to reduce the interest rates at which we lend to our customers without a proportionate reduction in interest rates at which we raise funds. Our customers may also prepay their loans to take advantage of a declining interest rate environment. An increase in the interest rates charged by us on our advances could result in our customers, particularly those with variable interest rate loans, prepaying their loans if less expensive loans are available from other sources.

For measurement and management of interest rate risk, we adopt both the traditional gap analysis and the duration gap analysis to our aggregate position of assets, liabilities and off-balance sheet items that are rate sensitive. The Asset Liability Management Committee ("**ALCO**") sets the internal limits under both traditional gap analysis and duration gap analysis for interest rate risk based on our risk bearing and risk management capacity. Despite the measures we have in place to mitigate these risks, there can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our Net Interest Income and Net Interest Margin and could, in turn, have an adverse effect on our financial condition, results of operations and cash flows.

In addition, as a result of the RBI-mandated reserve requirements, we are exposed to interest rate risk with respect to fixed income securities. Under the RBI regulations, our liabilities are subject to the SLR requirement such that a minimum specified percentage, currently 18.00%, of a bank's net demand and time liabilities must be invested in cash, Government securities and other RBI approved securities. These securities generally carry fixed coupons and, in an environment of rising interest rates, the value of Government securities and other fixed income securities decline. The table below sets forth details of our SLR portfolio as at the dates indicated.

SLR Portfolio	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	% of SLR portfolio	Amount (₹ in millions)	% of SLR portfolio	Amount (₹ in millions)	% of SLR portfolio	Amount (₹ in millions)	% of SLR portfolio
Fixed rate securities	50,014.98	100.00	49,277.44	100.00	49,727.38	100.00	46,977.85	100.00
Other securities	-	-	-	-	-	-	-	-

SLR Portfolio	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	% of SLR portfolio	Amount (₹ in millions)	% of SLR portfolio	Amount (₹ in millions)	% of SLR portfolio	Amount (₹ in millions)	% of SLR portfolio
Total SLR Portfolio	**50,014.98**	**100.00**	**49,277.44**	**100.00**	**49,727.38**	**100.00**	**46,977.85**	**100.00**

In addition to our SLR portfolio, we also invest in other fixed income securities. For further details, see "*Selected Statistical Information-Investment Portfolio*" on page 376.

For details of our accounting policies with respect to investments, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies-Investments"* on page 478.

With a view to building up of adequate reserves to protect against increase in yields, in accordance with RBI guidelines, we started an Investment Fluctuation Reserve with effect from Fiscal 2019. The amount transferred to the Investment Fluctuation Reserve is not less than lower of the following:

i. net profit on sale of investments during the year or

ii. net profit for the year less mandatory appropriations, until the amount of Investment Fluctuation Reserve is at least 2 percent of the HFT and AFS portfolio, on a continuing basis.

The amount held in the Investment Fluctuation Reserve shall be utilized by way of draw down, in accordance with the provisions of the RBI guidelines. The table below shows the Investment Fluctuation Reserve as at the dates indicated.

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	(₹ in millions)			
Investment Fluctuation Reserve	576.89	376.89	218.12	212.34

The table below shows our provisions for investments for the periods and years indicated.

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)				
Provisions for investments	-	-	-	0.12	4.04

There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our financial condition, results of operations and cash flows.

17. *We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, agents, customers or third parties, which could harm our reputation, business, financial condition, results of operations and cash flows.*

We are exposed to many types of operational risks, including employee negligence, petty theft, burglary, embezzlement and fraud by employees, agents, customers or third parties. For instance, in cases where customers repay their loans in cash directly to us, we are exposed to the risk of fraud, misappropriation or unauthorised transactions by employees responsible for dealing with such cash collections. The table below sets forth cash payments made by our borrowers and as a percentage of total payments made by our borrowers for the periods and years indicated.

Particulars	Half year ended		Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
	(₹ in millions, except for percentages)				
Cash payments by secured loan	4,840.50	4,354.10	2,896.88	7,114.61	8,828.68

Particulars	Half year ended		Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
	(₹ in millions, except for percentages)				
borrowers [A]					
Percentage of cash payments by secured loan borrowers [B = A/C] (%)	25.94%	26.46%	34.51%	32.73%	27.12%
Total payments by secured loan borrowers [C]	18,658.11	16,452.80	8,394.85	21,739.56	32,558.04
Cash payments by unsecured loan borrowers [D]	29,606.10	27,054.63	45,976.66	54,457.72	55,967.00
Percentage of cash payments by unsecured loan borrowers [E = D/E] (%)	83.10%	88.69%	94.06%	92.03%	87.80%
Total payments by unsecured loan borrowers [E]	35,625.55	30,505.15	48,882.60	59,174.45	63,740.61
Cash payments by all borrowers [F = A + D]	34,446.60	31,408.73	48,873.54	61,572.33	64,795.68
Percentage of cash payments by all borrowers [G = F/H] (%)	**63.46%**	**66.89%**	**85.33%**	**76.10%**	**67.29%**
Total payments by all borrowers to us [H = C + E]	54,283.65	46,957.95	57,277.45	80,914.01	96,298.65

While we have procured insurance for cash in safes and in transit and have put in place systems to detect and prevent any unauthorised transaction, fraud or misappropriation by our employees, these measures may not be effective in all cases. The table below set forth the number of instances of fraud we experienced and our losses due to fraud for the periods and years indicated.

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
Instances of fraud (number)	231	433	891	772	573
Of which:					
Misappropriation & Criminal breach of trust (Collection frauds)	214	407	831	701	459
Commission	0	3	8	5	10
Cheating & Forgery (Gold loan)	3	2	5	7	48
Cheating & Forgery (others)	8	9	21	27	20
Cash shortage & Negligence	0	1	2	4	1
Any other type of fraud not coming under the specific heads (Snatching & Theft)	6	11	22	26	25
Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property.	0	0	2	2	10
Losses due to fraud (₹ millions)	8.09	12.23	22.91	55.63	37.77
Of which:					

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
Misappropriation & Criminal breach of trust (Collection frauds)	4.94	7.24	12.88	9.84	4.85
Commission	0.00	0.03	0.06	0.05	0.01
Cheating & Forgery (Gold loan)	1.86	0.80	1.42	15.51	27.99
Cheating & Forgery (others)	0.81	3.15	6.81	9.17	0.41
Cash shortage & Negligence	0.00	0.25	0.34	0.32	0
Any other type of fraud not coming under the specific heads (Snatching & Theft)	0.49	0.76	1.01	1.36	2.55
Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property.	0.00	0.00	0.39	19.38	1.96

As noted by the RBI following the Inspection, the number of frauds increased from 573 to 772 from Fiscal 2021 to Fiscal 2022, out of which 736 were internal. The total amount of fraud incidents of ₹0.10 million and above increased by 47.29% despite a reduction of 34.73% in the total number of such incidents.

Operational risks can result from a variety of factors, including failure to obtain proper internal authorisations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions. For details, see "*Our Business – Risk Management – Operational Risk*" on page 302. Although we intend to continue to enhance our technology-based security measures and improve our operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures and operational procedures will be adequate. Any failure to mitigate such risks may adversely affect our financial condition, results of operations and cash flows.

Misconduct by our employees could bind us to transactions that exceed authorised limits or present unacceptable risks, and our employees could conceal unauthorised or unlawful activities from us. In the past, we have been subject to individual acts of fraud and theft of a non-material nature, including acts of fraud involving our employees, which on an aggregate basis are more material. For instance, in August 2020, the Board was informed that certain gold valuers connived with employees at our Bank to facilitate some borrowers to pledge fake gold to obtain gold loans aggregating to approximately ₹52.00 million, which represented approximately 0.89% of our gold loans as at March 31, 2021. These frauds would normally have been discovered when the gold valuers are rotated or through the audit mechanism. However, the audit of the gold loan book had not happened at the desired frequency of every quarter until the current Head of Audit took over in September 2019, and gold valuers had not been rotated. We now require the rotation of valuers and have made quarterly audits mandatory. However, there can be no assurance that these measures will prevent all gold loan fraud in the future. The table below sets forth details in relation to the amounts lost from fraudulent gold loans cases during the periods and fiscals indicated.

Fiscal	No. of cases	Amount (₹ in millions)	Amount recovered from insurance settlements (₹ in millions)	Amount from other recoveries (₹ in millions)	Amount of pending insurance claims as the end of the period/Fiscal (₹ in millions)
Half year ended September 30, 2023	3	1.86	0.74	0.00	1.11
Half year ended September 30, 2022	2	0.80	0.80	0.00	Nil
Fiscal 2023	5	1.40	-	0.60	0.80
Fiscal 2022	7	15.20	2.20	3.20	9.80
Fiscal 2021	48	34.20	2.40	11.40	20.50

Employee misconduct could also involve front running in securities markets or the improper use or disclosure of confidential information or non-compliance with insider trading rules, which could result in regulatory sanctions against us and serious reputation or financial harm. Since April 1, 2020, we have not had any regulatory sanctions against us for employee misconduct.

As of the date of this Prospectus, there are 259 First Information Reports ("**FIR**") registered by our Bank under Section 154 of the Code of Criminal Procedure, 1973 and 16 cases are filed before the Judicial Magistrates under Section 156 of the Code of Criminal Procedure, 1973 against our employees, third parties and customers. Further, as at the date of this Prospectus, there are 6,307 cases filed by our Bank for alleged violation of Section 138 of the Negotiable Instruments Act, 1881 for recovery of amounts due to our Bank for which cheques issued in favour of our Bank by our customers/debtors have been dishonoured, with a total pecuniary value involved in all these matters aggregating to ₹4,757.78 million and there are 5,022 police complaints filed by our Bank against employees in relation to alleged violations arising in the ordinary course of business operations of the Bank, including, among others, cases filed under the Indian Penal Code alleging criminal breach of trust, cheating, forgery, criminal conspiracy, misappropriation of money and embezzlement of money. For more details in relation to criminal cases filed by us, see "*Outstanding Litigation and Material Developments – Litigation by our Bank – Criminal Litigation*" on page 514.

Our security systems and measures undertaken to detect and prevent the occurrence of these risks may be insufficient to prevent or deter such activities in all cases. Furthermore, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our reputation, business, financial condition, results of operations and cash flows.

18. ***We are required to maintain a minimum cash reserve ratio ("CRR") and statutory liquidity ratio ("SLR"). In the event that the CRR or SLR requirements applicable to us are increased in the future, our ability to make advances would be correspondingly reduced, which may adversely affect our business, financial condition, results of operations and cash flows.***

We are currently required to maintain a CRR of a minimum of 4.50% of our demand and time liabilities with the RBI, on which no interest is paid. Due to the COVID-19 pandemic, from the fortnight beginning on March 27, 2021, the RBI raised the minimum CRR from 3.00% to 3.50% of net demand and time liabilities, which was revised to 4.00% from the fortnight beginning on May 22, 2021, and further revised to 4.50% from May 21, 2022.

We are also currently required to maintain a SLR equivalent to 18.00% of our net demand and time liabilities in cash and invested in Government and other RBI-approved securities.

The table below sets forth our CRR and SLR as at the fortnights beginning on the dates indicated and the regulatory minimum CRR and SLR as at the dates indicated.

Particulars	**As at September 30, 2023***	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Regulatory minimum required CRR	4.82%	4.50%	4.00%	3.50%
Our CRR	4.84%	4.52%	4.02%	3.53%
Regulatory minimum required SLR	18.00%	18.00%	18.00%	18.00%
Our SLR	23.18%	30.45%	34.07%	47.94%

** Minimum CRR as at September 30, 2023 was 4.50% and on incremental NDTL, an additional CRR equating to 10% is to be maintained. Hence, the effective CRR requirement is included in the above table.*

In the event that the CRR or SLR requirements applicable to us are increased in the future, our ability to make advances would be correspondingly reduced, which may adversely affect our business, financial condition, results of operations and cash flows.

As a Small Finance Bank, our Net Interest Margin, which is the difference of interest earned and interest expended divided by the average interest-earning assets ("**Net Interest Margin**") calculated on the basis of a quarterly average, and return on Net Worth (which is calculated as profit for the year divided by (the sum of capital and reserves and surplus ("**Net Worth**")) may be adversely affected, as we are required to set aside resources to meet the RBI's CRR and SLR requirements. Maintaining the CRR and SLR may impose liquidity constraints on us by reducing the amount of cash available with us for lending. In the event that the CRR or SLR requirements applicable to us are increased in the future, our ability to make advances would be correspondingly further reduced, which may adversely affect our business, financial condition, results of operations and cash flows.

19. ***We are required to maintain a minimum CRAR. As we continue to grow our loan portfolio and asset base, we may be required to raise additional capital in order to continue to meet applicable CRARs with respect to our business. However, we cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business.***

As per the SFB Operating Guidelines and the Master Circular – Basel II Capital Regulations, we are required under applicable laws and regulations to maintain a minimum CRAR**,** which is currently 15% of the risk weighted assets ("**RWAs**"), on a continuous basis subject to any higher percentage as may be prescribed by the RBI from time to time, with Tier I capital of at least 7.5% of the RWAs and Tier II capital of not more than 100% of the Tier I capital.

The table below sets forth the minimum required CRAR and our and our peers CRAR and Tier 1 Capital Ratio as at the dates indicated.

CRAR[(1)]	**As at September 30, 2023**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Regulatory minimum required CRAR	15.00%	15.00%	15.00%	15.00%
Our Bank	17.50%	15.57%	15.26%	15.51%
AU Small Finance Bank Limited	22.40%	23.59%	21.00%	23.37%
Equitas Small Finance Bank Limited	21.33%	23.80%	25.16%	24.18%
Ujjivan Small Finance Bank Limited	25.20%	25.81%	18.99%	26.44%
Suryoday Small Finance Bank Limited	30.23%	33.72%	37.86%	51.47%
Bandhan Bank Ltd.	20.60%	19.76%	20.10%	23.47%
Credit Access Grameen Limited	25.00%	23.58%	26.54%	31.75%
Spandana Sphoorthy Financial Limited	36.60%	36.87%	50.74%	39.20%
Fusion Micro Finance Limited	28.78%	27.94%	21.94%	27.26%
Utkarsh Small Finance Bank Limited	24.82%	20.64%	21.59%	21.88%
ESAF Small Finance Bank Limited	NA	19.83%	18.64%	24.23%
Fincare Small Finance Bank Limited	NA	20.04%	22.30%	29.60%

Note:

1. *CRAR (%) as reported by the companies. CRAR of Capital Small Finance Bank as at September 30, 2023 and March 31, 2023, 2022, and 2021 is not included in the Fitch Report.*

(Source: Fitch Report, except for the minimum CRAR)

Our CRAR was 17.50% as at September 30, 2023, which is lower than other peer banks but above the minimum requirement.

The table below sets forth the minimum required Tier 1 Capital Ratio and our and our peers CRAR and Tier 1 Capital Ratio as at the dates indicated.

Tier 1 Capital Ratio[(1)]	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Regulatory minimum required Tier 1 Capital Ratio	7.50%	7.50%	7.50%	7.50%
Our Bank	15.73%	13.02%	11.83%	11.75%
AU Small Finance Bank Limited	21.00%	21.80%	19.69%	21.53%
Equitas Small Finance Bank Limited	20.65%	23.08%	24.53%	23.23%
Ujjivan Small Finance Bank Limited	22.50%	22.69%	17.70%	25.06%
Suryoday Small Finance Bank Limited	28.00%	30.80%	34.44%	47.23%
Bandhan Bank Ltd.	18.20%	18.70%	18.89%	22.48%
Credit Access Grameen Limited	24.10%	NA	25.87%	30.50%
Spandana Sphoorthy Financial Limited	NA	NA	50.55%	39.74%
Fusion Micro Finance Limited	NA	NA	19.93%	25.52%
Utkarsh Small Finance Bank Limited	23.04%	18.25%	18.08%	19.98%
ESAF Small Finance Bank Limited	NA	18.12%	16.16%	21.54%
Fincare Small Finance Bank Limited	NA	18.64%	19.48%	24.91%

Note:

Tier 1 Capital Ratio (%) as reported by the companies. Tier 1 Capital Ratio for Capital Small Finance Bank as at September 30, 2023 and March 31, 2023, 2022, and 2021 is not included in the Fitch Report.

(Source: Fitch Report, except for the minimum Tier 1 Capital Ratio)

Our Tier 1 Capital Ratio was 15.73% as at September 30, 2023, which ranked as last compared to our peers in the table above,

Currently, the RBI does not require Small Finance Banks to provide any capital charge for operational risk or market risk weighted assets. However, there can be no assurance that the RBI will not require Small Finance Banks, including us, to provide capital charge for such risk in future and to migrate to Basel III approach for credit risk.

As we continue to grow our loan portfolio and asset base, we may be required to raise additional capital in order to continue to meet applicable CRARs with respect to our business. The table below sets forth details of the funds we have raised through the issuance of Equity Shares allotted pursuant to preferential allotments, rights issues and the exercise of RSUs under the ESOP 2018 and the issuance of Preference Shares in the period/years indicated.

S. No	Particulars	Half year ended September 30, 2023		Year ended March 31,					
				2023		2022		2021	
		Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)
(i)	Equity Shares allotted pursuant to a preferential allotment, including premium	-	-	250.00	968.56	660.00	968.56	-	-
(ii)	Equity Shares allotted pursuant to a rights issue,	4,499.44	302.98	1,917.73	580.55	-	-	-	-

S. No	Particulars	Half year ended September 30, 2023		Year ended March 31, 2023		2022		2021	
		Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)
	including premium								
(iii)	Equity Shares allotted pursuant to the exercise of RSUs under the ESOP 2018	-	10.00	0.06	10.00	0.03	10.00	0.08	10.00
(iv)	Equity Shares allotted pursuant to conversion of Preference Shares (including Equity Shares allotted pursuant to conversion of Preference Shares as stated in (vi) below)	1,120.00	302.98	-	-	-	-	-	-
(v)	Allotted Preference Shares	1,120.00	10.00	1,200.00	10.00	-	-	-	-
(vi)	Preference Shares converted to Equity Shares as stated in (iv) above	(1,120.00)	302.98	-	-	-	-	-	-
	Total	**5,619.44**		**3,367.79**		**660.03**		**0.08**	

In addition to the above, our Bank, in consultation with the BRLMs, undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each, aggregating to ₹121.54 million, and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹1,009.99 million. The size of the Fresh Issue has been adjusted to ₹4,620.00 million.

For more details on the Equity Shares and Preference Shares we have issued in the period/years indicated above, see "*Capital Structure-Share Capital History of our Bank*" on page 130.

We cannot assure you that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all, which may adversely affect the growth of our business.

20. ***We are subject to exposure ceilings***

Pursuant to the RBI Circular on Large Exposure Framework (DBR. No. BP.BC.43/21.01.003/2018-19) dated June 3, 2019, exposure ceilings are 20.00% of Tier 1 capital in the case of a single counterparty and 25.00% in the case of a group of connected counterparties (except for an NBFC, which has a ceiling of 15% of Tier 1 capital, and a group of connected NBFCs or a group of connected counterparties having NBFCs in the group, which have a ceiling of 25% of Tier 1 capital). For further information, see "*Key Regulations and Policies*" on page 313. The table below sets forth details our exposure by category and the applicable exposure limits as at the dates indicated.

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Our maximum exposure to a counterparty as a percentage of Tier 1 capital (1)	3.62%	5.41%	4.88%	3.52%
Maximum permitted exposure to a counterparty as a percentage of Tier 1 capital	20%	20%(3)	20%(3)	20%(3)
Our maximum exposure to a group of connected counterparties as a percentage of Tier 1	3.82%	5.41%	4.88%	3.52%

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
capital [(2)]				
Maximum permitted exposure to a group of connected counterparties as a percentage of Tier 1 capital	25%	25%[(4)]	25%[(4)]	25%[(4)]

Notes:

1. *Exposure refers to gross advances.*
2. *Except for exposure to a gold loan NBFC, which has a ceiling of 7.5% of Tier 1 capital.*
3. *Except for an NBFC, which has a ceiling of 15% of Tier 1 capital, and a group of connected NBFCs or a group of connected counterparties having NBFCs in the group, which have a ceiling of 25% of Tier 1 capital*
4. *"Exposure" and "Group of Connected Parties" as per the RBI Circular on Large Exposure Framework (DBR. No. BP.BC.43/21.01.003/2018-19) dated June 3, 2019.*

21. ***At least 50% of our net advances is required to constitute advances of up to ₹2.50 million, which requirement is only applicable to Small Finance Banks.***

Pursuant to SFB Licensing Guidelines, at least 50% of our net advances is required to constitute advances of up to ₹2.50 million, which requirement is only applicable to Small Finance Banks. The table below sets forth our total net advances of up to ₹2.50 million and such amount as a percentage of our total net advances as at the dates indicated.

Particulars	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	% of total net advances	Amount (₹ in millions)	% of total net advances	Amount (₹ in millions)	% of total net advances	Amount (₹ in millions)	% of total net advances
Total net advances of up to ₹2.50 million	150,872.70	71.81	141,476.86	79.66	112,750.00	86.69	104,850.00	90.39
Total net advances	210,087.10	100.00	177,595.55	100.00	130,066.74	100.00	115,996.73	100.00

22. ***The priority sector lending ("PSL") requirements applicable to a Small Finance Bank are significantly higher than the PSL limits applicable to other Scheduled Commercial Banks, which could subject us to higher delinquency rates and may limit our funding from securitizations and assignments to comply with such requirements. In case of any shortfall by us in meeting the PSL requirements, we would subsequently be required to place the allocated amount by the RBI in an account with the NABARD under the Rural Infrastructure Development Fund Scheme, or with other institutions specified by the RBI, which may earn lower rates of interest, compared to other interest-bearing securities.***

As a Small Finance Bank, we are required to extend at least 75% of our adjusted net bank credit ("**ANBC**") to the sectors eligible for classification as PSL by the RBI, such as agriculture, MSMEs, export credit, education, housing, social infrastructure and renewable energy. 40% of our ANBC is required to be allocated to different sub-sectors under PSL as per the PSL requirements. We can allocate the remaining 35% to any one or more sub-sectors under the PSL requirements. The sub-targets applicable to various sectors for Fiscal 2024 are as under:

- 18% of the ANBC towards advances to agriculture, of which 10% of ANBC is prescribed for small and marginal farmers;
- 7.50% of ANBC towards advances to micro enterprises; and
- 12.00% of ANBC towards advances to weaker sections.

The PSL requirements applicable to a Small Finance Bank are significantly higher than the PSL requirements applicable to other Scheduled Commercial Banks, which could subject us to higher delinquency rates and may limit our funding from securitizations and assignments to comply with such requirements. Other Scheduled Commercial Banks are required to extend at least 40% of their ANBC to satisfy their PSL requirements. In case of any shortfall by us in meeting the PSL requirements, we would subsequently be required to place the allocated amount by the RBI in an account with the NABARD under the Rural Infrastructure Development Fund Scheme, or with other institutions specified by the RBI, which may earn lower rates of interest, compared to other interest-bearing securities. We were in compliance with the PSL requirements as at March 31, 2023, 2022 and 2021. For details on our PSL lending, see

"*Our Business-Asset Products-Priority Sector Lending*" on page 220. Any failure to comply with PSL requirements, may have an adverse effect on our business, financial condition, results of operations and cash flows.

23. ***If we are unable to secure funding on acceptable terms and at competitive rates when needed, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our funding requirements historically have been met from a combination of shareholder capital, deposits, borrowings from other institutions, subordinated debt, borrowings from other banks, sale of inter-bank participation certificates ("**IBPCs**"), assigned advances, NPAs sold to asset reconstruction companies ("**ARCs**") and cash flows from operations. For further details, see "*Our Business – Risk Management – Liquidity Risk and Interest Rate Risk*" on page 304. For details on the maturity pattern of our Bank's assets and liabilities as at September 30, 2023, see "*Selected Statistical Information – Asset Liability Gap and Interest Sensitivity Data*" on page 378.

The table below sets forth our capital, reserves and surplus, deposits and borrowings as at the dates indicated.

Particulars	**As at September 30, 2023**	**As at March 31,**		
		2023	**2022**	**2021**
	(₹ in millions)			
Capital	3,435.26	3,249.79	2,014.12	2,007.27
Reserves and surplus	22,254.39	14,722.77	9,992.88	9,140.86
Deposits	189,367.24	163,340.16	135,364.92	123,162.58
Borrowings	53,135.43	62,774.60	45,098.32	48,153.19

For more details on our capital, reserves and surplus, deposits and borrowings, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Condition –Capital and Liabilities*" on page 497.

A bank missing its priority sector lending target is able to reach the target by buying IBPCs issued by other banks that have already exceeded their regulatory targets for priority sector advances. From time to time, our Bank also transfers excess priority sector lending advances through IBPCs. In accordance with the applicable RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by our Bank is reduced from our advances. IBPCs with risk sharing can be issued for 91-180 days and only in respect of advances classified as standard. At the end of the term, the advances sold via IBPCs are sold back to our Bank. The table below sets forth the outstanding balance of our IBPC (risk sharing) as at the dates indicated.

Particulars	**As at September 30, 2023**	**As at March 31**		
		2023	**2022**	**2021**
	(₹ in millions)			
Outstanding balances of IBPC (risk sharing)	900.00	11,350.00	19,627.50	8,898.80

The table below sets forth the amount of financial assets we sold to securitisation/ reconstruction companies in accordance with the guidelines issued by the RBI for the period and years indicated.

Particulars	**As at September 30, 2023**	**As at March 31,**		
		2023	**2022**	**2021**
	(₹ in millions)			
Financial assets sold to securitisation/ reconstruction companies in accordance with the guidelines issued by the RBI	8,558.46	10,277.57	925.23	-

The table below sets forth the outstanding balance of our securitised advances as at the dates indicted.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(₹ in millions)			
Outstanding balance of our securitised advances	15,924.31	9,660.60	1,342.67	415.50

For more details on our securitised advances, see "*Financial Statements – Annexure 23 – Note 8: Disclosure relating to securitisation*" on page 437.

For details on and risks in relation to IBPCs, assigned advances and NPAs sold to ARCs, see "- *28. Advances transferred via IBPCs, assigned advances and NPAs sold to ARCs are all off balance sheet advances. Our off balance sheet advances expose us to certain risks, including not having sufficient liquidity at the time of redemption of an IBPC, the assumption of the IBPC assets on our balance sheet upon redemption will adversely affect our CRAR and the risk of loss of income from those advances if an agreement pursuant to which we act as a collection agent is terminated"* on page 71.

The table below sets forth our Cost of Funds, which is a non-GAAP Financial Measure, for the periods and years indicated.

Particulars	Half year ended September 30, 2023	Half year ended September 30, 2022	Year ended		
			March 31, 2023	March 31, 2022	March 31, 2021
Cost of Funds	7.55%	6.74%	7.02%	7.37%	8.61%

In addition, the cost and availability of debt is dependent in part on the ratings given to our debt by rating agencies, which may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. The table set forth below shows our current debt ratings and any changes in our debt ratings since April 1, 2020:

Instrument	Amount Rated (₹ in millions)	Amount Outstanding as at September 30, 2023 (₹ in millions)	Current Rating	Changes in Debt Rating since April 1, 2020
Subordinated debt (long term)	₹3,500.00	₹3,500.00	ICRA BBB+ (positive)	Upgraded from BBB (stable) to BBB+ (positive) on September 7, 2023
Subordinated debt (long term)	₹2,500.00	-	ICRA BBB+ (positive)	Upgraded from BBB (stable) to BBB+ (positive) on September 7, 2023

Any downgrade in our debt ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing agreements and may increase interest rates for refinancing our outstanding debt, which would increase our financing costs and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis, which could adversely affect our business, financial condition, results of operations and cash flows.

There can be no assurance that we will be able to raise adequate additional funding in the future on terms favourable to us, or at all, and this may hamper our growth plans, apart from those that can be funded by internal accruals.

24. ***If our borrowers who have availed secured loans default, there may be delays and difficulties in enforcing the sale of collateral and we may be unable to recover the expected value of the collateral, which could have a material***

adverse effect on our financial condition, results of operations and cash flows.

The table below sets forth the amount net advances secured by tangible assets (mortgage of residential property or other approved collateral security) and as a percentage of our total net advances as at the dates indicated.

Category of Advance	As at September 30,		As at March 31,					
	2023		2023		2022		2021	
	₹ in millions	% of total net advances	₹ in millions	% of total net advances	₹ in millions	% of total net advances	₹ in millions	% of total net advances
Net advances secured by tangible assets	116,067.91	55.25%	94,453.47	53.18%	68,053.64	52.32%	47,915.43	41.31%
Total net advances	210,087.10	100.00%	177,595.55	100.00%	130,066.74	100.00%	115,996.73	100.00%

We may be unable to realise the full value of the collateral or at all as a result of, among other factors: (i) delays in bankruptcy and foreclosure proceedings, including due to the introduction of any laws, rules or regulations that provide for moratoriums or exemptions on the sale of collateral in response to any adverse economic financial conditions; (ii) defects or deficiencies in the perfection of collateral (including due to inability to obtain approvals that may be required from third parties); (iii) fraud by borrowers, including the pledging of fake gold; (iv) decreases in the value of the collateral; (v) errors in assessing the value of the collateral; (vi) an illiquid market for the sale of the collateral; (vii) current legislative provisioning coverage or changes thereto; and (viii) future judicial pronouncements. For details on the pledging of fake gold, see "– *37. We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, agents, customers or third parties, which could harm our reputation, business, financial condition, results of operations and cash flows*" on page 78.

As the underlying collateral on our affordable housing loans, which are not under the affordable housing scheme of the Government, and most of our MSME loans are mortgages over the borrowers' residential or commercial property, any significant decline in property prices could adversely affect our ability to realise the full value of such collateral. As the underlying security on our gold loans is gold, any significant decline in gold prices could adversely affect our ability to realise the full value of such collateral. The table below sets forth the loan to collateral value ratio, also known as the loan to value ("**LTV**") ratio, at origination for the periods and years indicated and the maximum LTV ratio as at the dates indicated under our lending rules and under the applicable RBI guidelines for affordable housing loans, MSME loans and gold loans.

Particulars	As at and for the half year ended September 30,		As at and for the year ended March 31,		
	2023	2022	2023	2022	2021
	(in percentages)				
Affordable housing loans LTV at origination for the year (*)	55.17%	56.25%	54.89%	55.06%	55.13%
Maximum LTV ratio for affordable housing loans at the year-end as per our loan rules	90.00%	90.00%	90.00%	90.00%	90.00%
Maximum LTV ratio for affordable housing loans at the year-end as per RBI guidelines	90.00%	90.00%	90.00%	90.00%	90.00%
MSME loans LTV at origination for the year (*)	41.47%	44.15%	41.79%	44.43%	49.29%
Maximum LTV ratio for MSME loans at the year-end as per our loan rules	85%	85%	85%	85%	75%
Maximum LTV ratio for MSME loans at the year-end as per RBI guidelines	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Gold loans LTV at origination for the year(*)	69.00%	74.87%	62.38%	65.44%	84.31%

Particulars	As at and for the half year ended September 30,		As at and for the year ended March 31,		
	2023	2022	2023	2022	2021
	(in percentages)				
Maximum LTV ratio for gold loans at the year-end as per our loan rules	Non-agri gold loan LTV was capped at 75% and agri gold loan LTV was capped at 80%	Non-agri gold loan LTV was capped at 75% and agri gold loan LTV was capped at 80%	Non-agri gold loan LTV was capped at 75% and agri gold loan LTV was capped at 80%	Non-agri gold loan LTV was capped at 75% and agri gold loan LTV was capped at 80%	Non-agri gold loan LTV was capped at 90% and there was no LTV cap for agri gold loans
LTV ratio for gold loans at the year-end as per RBI guidelines(1)	Non-agri gold loan LTV was capped at 75% and there was no LTV cap for agri gold loans	Non-agri gold loan LTV was capped at 75% and there was no LTV cap for agri gold loans	Non-agri gold loan LTV was capped at 75% and there was no LTV cap for agri gold loans	Non-agri gold loan LTV was capped at 75% and there was no LTV cap for agri gold loans	Non-agri gold loan LTV was capped at 90%

Notes:

(*) Non-GAAP Financial Measure.

(1) As per RBI guidelines, there is no LTV ratio cap for agri gold loans, which are loans against gold where the end use is for agricultural purposes.

Furthermore, the process of litigation to enforce our legal rights against defaulting customers is generally a slow and potentially expensive process. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all. If we are unable to realise the full value of collateral, or otherwise recover the full amount owed to us by defaulting customers, it could have an adverse effect on our financial condition, results of operations and cash flows.

- A decrease in cash flows and income of borrowers and the value of savings of borrowers could cause borrowers to default on repayments of advances, thereby increasing our NPAs and our provisions, and result in a decrease of eligible potential borrowers for new loans, thereby adversely affecting new loans.
- There could be a decrease in demand for our products due to lockdowns or other travel restrictions, an economic downturn or illness.
- We may be unable to maintain sufficient liquidity given the uncertain scope and duration of the COVID-19 pandemic.
- Our operations and the operations of our business correspondents and other third-party service providers could be disrupted by social distancing, split-team, work from home and quarantine measures.
- We could incur increased costs to ensure that we comply with any health and safety rules or regulations adopted by the Government or state governments in response to the COVID-19 pandemic.
- The effects of the COVID-19 pandemic could heighten the other risks described in this "*Risk Factors*" section.

25. ***Many of our customers do not have any credit history supported by tax returns, financial statements, credit card statements, statements of previous loan exposures or other related documents, which makes it more difficult for us to assess the credit risk of loans to such customers. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our NPAs, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our business, along with other Small Finance Banks, primarily involves lending money to smaller, relatively low-income earning entrepreneurs and individuals, many of whom may not have any credit history supported by tax returns, credit card statements, statements of previous loan exposures or other related documents. They may also have limited formal education and are generally unable to furnish detailed information for us to be able to assess their creditworthiness accurately. It is therefore difficult to carry out a formal credit risk analysis for many of our potential borrowers based on financial information. We have corrective measures in place to minimise the risk of potential borrowers submitting inaccurate financial information. In deciding whether to make advances to potential customers, we rely on information furnished to us by or on behalf of borrowers. We may also rely on certain representations as to the accuracy and completeness of that information. To further verify the information provided by potential borrowers, we conduct searches through credit bureaus for creditworthiness of our customers who have a credit history. We have introduced a proprietary scorecard customised to this segment of borrowers in our secured loans business beginning in the second half of Fiscal 2022. The proprietary scorecard draws information from the credit bureau and borrower demographics to determine the credit worthiness of the borrower. While our initial results show that the proprietary scorecard is effective in accurately determining credit worthiness, it has yet to be tested over a full credit cycle. Also, if the information about a potential borrower is not accurate and complete, we may make an advance that we otherwise would not have made if we had accurate and complete information, particularly if the potential borrower does not have a credit history. The table below sets forth our total gross advances to borrowers without any past credit history and the amount of our NPAs made to borrowers without any past credit history as well as the percentage of that amount to our total gross NPAs as the dates indicated.

Particulars	As at September 30,	As at March 31,		
	2023	2023	2022	2021
	(₹ in millions, except for percentages)			
Gross advances made to borrowers without any past credit history [A] (*)	34,393.61	28,142.61	18,846.61	14,226.52
Gross advances made to borrowers without any past credit history to gross advances [B = A/C] (*) (%)	16.11%	15.63%	14.22%	12.00%
Gross advances [C]	213,471.30	180,007.41	132,503.20	118,389.82
Gross NPAs made to borrowers without any past credit history (*) [D]	858.60	1,378.52	738.38	1,025.59
Gross NPAs made to borrowers without any past credit history to gross NPAs (*) [E = D/F] (%)	16.47%	19.44%	9.76%	11.95%
Gross NPAs [F]	5,213.13	7,091.86	7,569.04	8,579.84

Note:

(*) Non-GAAP Financial Measure.

Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our NPAs, which could adversely affect our business, financial condition, results of operations and cash flows.

26. ***We have not complied with certain covenants under our financing agreements in the past. Any non-compliance with covenants under our financing agreements that are not waived may be declared to be an event of default and lead to, among other things, acceleration of repayment schedules, securitization of assets charged and suspension of further drawdowns, which could adversely affect our business, financial condition, results of operations and cash flows.***

Some of the financing arrangements we have entered into include conditions that require us to obtain respective lenders' consents prior to carrying out certain activities and entering into certain transactions, and in some cases, where there is an event of default under the transaction documents, they also provide the lenders the right to appoint a nominee on the Board of Directors of our Bank or to send an observer, in the absence of the nominee to attend meetings of the Board. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, among others: change in our capital structure and shareholding pattern which may include reduction or dilution in the shareholding of the Promoters and/or other Shareholders; change in our current ownership/control, including any direct or indirect change in our Promoters' shareholding; amending, modifying or otherwise changing our constitutional documents; undertaking or permitting any merger, de-merger, consolidation, reorganization, scheme of arrangement or compromise with our creditors or Shareholders or effecting any scheme of amalgamation or reconstruction; or declaration or payment of dividends; amendments to our memorandum of association and/or articles of association; and changes in the composition of our Board of Directors, Key Managerial Personnel or other senior management. This is an indicative list and there may be other additional terms under the various borrowings. We are also required to maintain certain financial ratios and ensure compliance with regulatory requirements, such as maintenance of CRAR, qualifying asset norms and ensuring positive net worth.

Further, in the event of default, some financing arrangements provide the lenders with the right to recall financing arrangements in their entirety on short or no notice and enforce the underlying security. We cannot assure you that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls, which may adversely affect our results of operations and cash flows.

As at the date of this Prospectus, there are no financial covenants in any of our financing agreements. However, previously there were financial covenants in our financing agreements. The following table sets forth the details of instances in the past where we have not complied with certain covenants under our financing agreements, along with their current status:

<table>
<tr><th>Name of lender</th><th>Nature/Type of Facility</th><th>Covenant breached</th></tr>
<tr><td>Northern Arc Capital Limited</td><td>Non-Convertible Debentures</td><td>Total advances with payments past due exceeding 90 days were not to be more than 20.00% of our tangible Net Worth (which is equal to share capital and reserves). Gross NPAs as a percentage of gross advances may not be above 2.50%. Compliance with these covenants was measured on a half yearly basis. The facility was closed on May 27, 2022. The table below sets forth (i) total advances with payments past due exceeding 90 days as percentage of our tangible Net Worth and (ii) our gross NPAs as a percentage of gross advances as at the dates indicated.
<table>
<tr><th>Particulars</th><th>As at September 30, 2020</th><th>As at March 31, 2021</th><th>As at September 30, 2021</th></tr>
<tr><td>Total advances with payments past due exceeding 90 days as percentage of our tangible Net Worth (%)</td><td>25.80%</td><td>79.80%</td><td>97.00%</td></tr>
<tr><td>Gross NPAs as a percentage of gross advances (%)</td><td>2.70%</td><td>7.20%</td><td>8.37%</td></tr>
</table></td></tr>
<tr><td>IDFC First Bank Limited</td><td>Non-Convertible Debenture</td><td>Net NPAs are not to exceed 1.50% of our total advances under management, which is gross advances plus IBPCs, assigned advances and advances sold to asset reconstruction companies (“ARCs”) for which our Bank is acting as a collection agent (“AUM”). Ratio of Net NPAs to tangible Net Worth are to be 1.00% or less. Compliance with these covenants was measured on a half yearly basis. The facility was closed on June 30, 2021. The table below sets forth (i) our Net NPAs as a percentage of AUM and (ii) our Net NPAs to tangible Net Worth as at the dates indicated.
<table>
<tr><th>Particulars</th><th>As at September 30, 2020</th><th>As at March 31, 2021</th></tr>
<tr><td>Net NPAs as a percentage of AUM (%)</td><td>0.80%</td><td>4.84%</td></tr>
<tr><td>Ratio of Net NPAs to tangible Net Worth (%)</td><td>7.78%</td><td>57.60%</td></tr>
</table></td></tr>
<tr><td>CDC Emerging Markets Limited</td><td>Non-Convertible Debentures</td><td>Portfolio at risk (which is a portfolio 30 days past due) over 30 days as a percentage of our AUM were not to be above 3.00%. Open loan exposure ratio (which is non-performing advances and restructured portfolio reduced by the provision held with respect to non-performing advances and restructured loans and cash collateral held with respect to non-performing advances and restructured loans (“Open Loan Exposure Ratio”) may not be more than 20.00% of our total capital. Compliance with these covenants was measured on a quarterly basis. The debenture was restructured on December 31, 2021 and there was no such covenants in the restructured debenture. The table below sets forth (i) our portfolio at risk over 30 days as a percentage of our AUM and (ii) Open Loan Exposure as a percentage of total capital as at the dates indicated.
<table>
<tr><th>Particulars</th><th>As at September 30, 2020</th><th>As at March 31, 2021</th><th>As at September 30, 2021</th></tr>
<tr><td>Portfolio at risk over 30 days as a percentage of our AUM (%)</td><td>4.04%</td><td>9.68%</td><td>12.58%</td></tr>
<tr><td>Open Loan Exposure Ratio as a percentage of total capital (%)</td><td>7.78%</td><td>57.57%</td><td>62.42%</td></tr>
</table></td></tr>
<tr><td>Asian Development Bank</td><td>Non-Convertible Debenture</td><td>Gross NPAs as a percentage of Net Worth plus provisions may not more than 5.00%. Gross NPAs as a percentage of average of opening and closing advances may not be more than 1.50%. Compliance with these covenants was measured on a quarterly basis. The facility was closed on September 30, 2020. The table below sets forth (i) our gross NPAs as a percentage of (Net Worth plus provisions and (ii) our gross NPAs as a percentage of average of opening and closing advances as at the dates indicated.</td></tr>
</table>

Name of lender	Nature/Type of Facility	Covenant breached	
		Particulars	**As at June 30, 2020**
		Gross NPAs as a percentage of (Net Worth plus provisions) (%)	24.50%
		Gross NPAs as a percentage of average of opening and closing advances (%)	2.90%

As on the date of the Red Herring Prospectus, we have received all of the required consents from our lenders to enable us to undertake the Offer.

Any non-compliance with a covenant that is not waived may restrict or delay certain actions or initiatives that we may propose to take from time to time and may lead to, amongst others, accelerated repayment schedule, securitisation of assets charged and suspension of further drawdowns, which may adversely affect our business, financial condition, results of operations and cash flows.

Further, pursuant to clauses in certain financing agreements, any such non-compliances or defaults under such facilities may also trigger cross default or cross acceleration provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flows to make payments under such financing documents, thereby reducing the availability of cash for making new loans. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. We cannot assure you that lenders will waive any future non-compliances.

27. ***If our CASA Ratio decreases it could increase our Cost of Funds, which could adversely affect our ability to compete for market share unless we decrease our Net Interest Margin.***

We have been able to leverage the strength of the "Jana" brand to rapidly grow our deposit portfolio since we commenced operations as a Small Finance Bank on March 28, 2018. As an NBFC-MFI, we were unable to accept deposits as per applicable laws in India. Since becoming a Small Finance Bank, we have placed a strong emphasis on increasing our demand deposits (current account deposits), savings deposits (together, "**CASA**") and single Rupee term deposits of less than ₹20.00 million ("**Retail Term Deposits**" and together with CASA ("**Retail Deposits**"), as they have lower rates of interest compared to single Rupee term deposits of ₹20.00 million or more ("**Bulk Deposits**"). In particular, our CASA tends to provide a stable and low-cost source of deposits compared to Bulk Deposits. The following table sets forth, as at the dates indicated, our deposits and the percentage composition by each category of deposits.

Particulars	September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits
Demand Deposits [A]	9,125.89	4.82	7,123.88	4.36	7,661.51	5.66	5,787.83	4.70
Savings Bank Deposits [B]	29,670.13	15.67	25,885.69	15.85	22,829.22	16.86	14,276.30	11.59
CASA [C = A + B]	**38,796.02**	**20.49**	**33,009.57**	**20.21**	**30,490.73**	**22.52**	**20,064.13**	**16.29**
Term Deposits	150,571.22	79.51	130,330.59	79.79	104,874.19	77.48	103,098.45	83.71
Of which:								
Retail Term Deposits [D]	*88,479.10*	*46.72*	*81,681.36*	*50.01*	*72,191.41*	*53.33*	*70,461.29*	*57.21*

Particulars	September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	**% of total deposits**	**Amount (₹ in millions)**	**% of total deposits**	**Amount (₹ in millions)**	**% of total deposits**	**Amount (₹ in millions)**	**% of total deposits**
Bulk Deposits	*62,092.12*	*32.79*	*48,649.23*	*29.78*	*32,682.78*	*24.14*	*32,637.16*	*26.50*
Retail Deposits [E = C + D]	**127,277.24**	**67.21**	**114,690.93**	**70.22**	**102,682.14**	**75.86**	**90,525.42**	**73.50**
Total deposits	**189,367.24**	**100.00**	**163,340.16**	**100.00**	**135,364.92**	**100.00**	**123,162.58**	**100.00**

We pay no interest on demand deposits (current deposits) and we pay a lower average rate of interest on CASA compared to term deposits. The table below sets forth our Cost of Average CASA and Cost of Average Term Deposit which are Non-GAAP Financial Measures, for the periods and years indicated.

Particulars	Half year ended		Year ended		
	September 30, 2023	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Cost of Average CASA	4.61%	5.26%	5.18%	4.34%	3.34%
Cost of Average Term Deposits	8.23%	6.93%	7.37%	7.97%	8.71%

The table below sets forth our and our peers' Cost of Funds, which is a Non-GAAP Financial Measure, for the periods and years indicated.

Cost of Funds[(1)]	Half year ended September 30,		Year ended March 31,		
	2023	**2022**	**2023**	**2022**	**2021**
Our Bank	7.55%	6.74%	7.02%	7.37%	8.61%
AU Small Finance Bank Limited	6.60%	5.80%	5.63%	5.29%	6.50%
Equitas Small Finance Bank Limited	7.21%	6.94%	6.48%	6.75%	7.66%
Ujjivan Small Finance Bank Limited	7.40%	6.20%	6.08%	5.70%	6.93%
Suryoday Small Finance Bank Limited	7.50%	6.70%	6.10%	6.31%	8.09%
Bandhan Bank Ltd.	6.50%	5.50%	5.34%	4.88%	5.89%
Credit Access Grameen Limited	9.80%	9.20%	8.30%	8.18%	8.82%
Spandana Sphoorthy Financial Limited	12.50%	11.20%	12.86%	11.86%	10.10%
Fusion Micro Finance Limited	10.60%	10.20%	10.24%	9.83%	10.29%
Utkarsh Small Finance Bank Limited	7.40%	6.90%	6.96%	7.47%	8.27%

Cost of Funds(1)	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
ESAF Small Finance Bank Limited	NA	NA	6.02%	5.99%	7.60%
Fincare Small Finance Bank Limited	NA	NA	6.47%	7.07%	8.63%

Note:

1. *Cost of funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/fiscal year, expressed as a percentage. Cost of Funds of Capital Small Finance Bank for the half years ended September 30, 2023 and September 30, 2022 and the years ended March 31, 2023, 2022, and 2021 is not included in the Fitch Report.*

(Source: Fitch Report)

Our Cost of Funds was 7.55% as at September 30, 2023, which was the fourth highest compared to our peers in the table above.

If our ratio of CASA to total deposits ("**CASA Ratio**") decreases it could increase our Cost of Funds, which could adversely affect our ability to compete for market share unless we decrease our Net Interest Margin. While we believe that the interest rate a borrower will be charged on a loan is not the only consideration a borrower takes into account when deciding between competing offers, we believe it is an important consideration. Therefore, if our CASA Ratio decreases, it could adversely affect our business, financial condition, results of operations and cash flows.

The table below sets forth our and our peers' CASA Ratio, which is a Non-GAAP Financial Measure, for as at the dates indicated.

CASA Ratio(1)	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Our Bank	20.49%	20.21%	22.52%	16.29%
AU Small Finance Bank Limited	34.00%	38.43%	37.29%	23.00%
Equitas Small Finance Bank Limited	48.05%	42.28%	52.00%	34.25%
Ujjivan Small Finance Bank Limited	24.06%	26.41%	27.30%	20.55%
Suryoday Small Finance Bank Limited	15.70%	17.11%	18.81%	15.45%
Bandhan Bank Ltd.	38.50%	39.29%	41.61%	43.38%
Credit Access Grameen Limited	NA	NA	NA	NA
Spandana Sphoorthy Financial Limited	NA	NA	NA	NA
Fusion Micro Finance Limited	NA	NA	NA	NA
Utkarsh Small Finance Bank Limited	20.00%	20.89%	22.37%	17.68%
ESAF Small Finance Bank Limited	NA	21.39%	22.84%	19.42%
Fincare Small Finance Bank Limited	NA	33.06%	36.30%	23.76%

Note:

1. *Cost of funds represents total interest expense for the relevant period/ fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/ fiscal year, expressed as a percentage. CASA Ratio for Capital Small Finance Bank as at September 30, 2023 and as at March 31, 2023, 2022, and 2021 is not included in the Fitch Report.*

(Source: Fitch Report)

Our CASA Ratio was 20.49% as at September 30, 2023, which ranked as fifth highest compared to our peers in the table above.

The table below sets forth our and our peers' Net Interest Margin, which is a Non-GAAP Financial Measure, for the periods and years indicated.

Net Interest Margin(1)	Half year ended		Year ended		
	September 30, 2023	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Our Bank	7.78%	7.47%	7.73%	7.32%	8.36%
AU Small Finance Bank Limited	5.60%	6.00%	5.56%	5.36%	5.05%
Equitas Small Finance Bank Limited	8.43%	9.00%	8.22%	7.89%	8.17%
Ujjivan Small Finance Bank Limited	8.80%	9.80%	9.48%	8.07%	8.91%
Suryoday Small Finance Bank Limited	9.40%	9.20%	8.28%	7.85%	6.80%
Bandhan Bank Ltd.	7.20%	7.00%	6.29%	6.87%	7.32%
Credit Access Grameen Limited	13.10%	12.00%	10.75%	9.72%	9.80%
Spandana Sphoorthy Financial Limited	14.10%	13.00%	9.96%	12.12%	14.73%
Fusion Micro Finance Limited	11.10%	9.40%	11.50%	8.66%	9.54%
Utkarsh Small Finance Bank Limited	NA	NA	9.57%	8.75%	8.20%
ESAF Small Finance Bank Limited	NA	NA	9.68%	7.64%	8.45%
Fincare Small Finance Bank Limited	NA	NA	9.33%	9.28%	9.29%

Note:

1. *Net Interest Margin represents net interest income for the relevant period/ fiscal year to the average total assets for the relevant period/ fiscal year, represented as a percentage. Net Interest Margin for Capital Small Finance Bank for the half years ended September 30, 2023 and 2022 and the years ended March 31, 2023, 2022, and 2021 is not included in the Fitch Report.*

(Source: Fitch Report)

Our Net Interest Margin was 7.78% as at September 30, 2023, which ranked as seventh highest compared to our peers in the table above.

28. ***We incur significant operating expenses and any increase in these operating expenses without a corresponding increase in our Operating Income will adversely affect our financial condition, results of operations and cash flows.***

Our operating expenses are significant as the cost of sourcing and servicing our unsecured loan customers is high. The table sets forth below our operating expenses, including details of our fixed and variable expenses for the years indicated.

Particulars	Fixed or variable expense	Fiscal 2023 (₹ in millions)	Fiscal 2022 (₹ in millions)	Fiscal 2021 (₹ in millions)
Payments to and provisions for employees	Fixed and variable	7,775.78	6,989.89	6,184.59

Particulars	Fixed or variable expense	Fiscal 2023 (₹ in millions)	Fiscal 2022 (₹ in millions)	Fiscal 2021 (₹ in millions)
Rent, taxes and lighting	Fixed and variable	977.06	915.63	1,010.97
Printing and stationery	Fixed and variable	95.18	89.67	62.64
Advertisement and publicity	Variable	211.58	105.90	168.44
Depreciation on Bank's property (including leased assets)	Fixed	686.89	808.15	826.77
Directors' fees, allowances and expenses	Variable	6.38	5.51	5.48
Auditors' fees and expenses	Fixed	12.42	10.03	10.82
Law charges	Variable	103.05	75.88	40.95
Postage, courier, telephones etc.	Variable	175.95	163.30	204.44
Repairs and maintenance	Variable	282.19	270.87	301.40
Insurance	Variable	174.24	164.91	126.80
Other expenditure	Fixed and variable	2,344.39	1,788.47	1,529.80
Of which:				
Travel and conveyance	Variable	478.29	350.39	253.27
Professional fees (includes cost of outsourced technology support services)	Variable	1,479.65	1,055.12	980.42
Others	Fixed and variable	386.45	382.96	296.11
Total		**12,845.11**	**11,388.21**	**10,473.10**

The table below sets forth our operating expenses and such expenses as a percentage of our Net Interest Income and other income (together, "**Operating Income**") (the "**Cost to Income Ratio**") for the periods and years indicated.

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions, except for percentages)				
Operating expenses [A]	7,831.59	6,105.99	12,845.11	11,388.21	10,473.10
Net Interest Income(*) [B]	9,876.34	7,518.62	16,600.20	13,897.83	12,631.49
Other income [C]	3,516.27	2,933.91	6,248.65	3,358.30	2,230.13
Operating Income (*) [D = B + C]	13,392.61	10,452.53	22,848.85	17,256.13	14,861.62
Cost to Income Ratio [E = A / D] (%)(*)	58.48%	58.42%	56.22%	66.00%	70.47%

Note:

(*) Non-GAAP Financial Measure.

An increase in our Cost to Income Ratio will adversely affect our financial condition, results of operations and cash flows.

The table below sets forth our and our peers' Cost to Income Ratio for the periods and years indicated.

Cost to Income Ratio(1)	Half year ended		Year ended		
	September 30, 2023	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Our Bank	58.48%	58.42%	56.22%	66.00%	70.47%
AU Small Finance Bank Limited	63.10%	63.80%	63.01%	57.07%	43.46%
Equitas Small Finance Bank Limited	64.37%	66.58%	63.41%	66.12%	59.99%
Ujjivan Small Finance Bank Limited	52.00%	52.00%	54.82%	71.68%	60.34%
Suryoday Small Finance Bank Limited	59.70%	53.50%	60.02%	60.93%	64.44%
Bandhan Bank Ltd.	46.90%	41.80%	39.54%	30.54%	29.13%
Credit Access Grameen Limited	31.70%	38.20%	37.48%	35.38%	34.57%
Spandana Sphoorthy Financial Limited	41.80%	49.70%	44.84%	38.56%	21.63%
Fusion Micro Finance Limited	36.40%	44.70%	38.44%	44.26%	44.26%
Utkarsh Small Finance Bank Limited	56.50%	54.10%	54.15%	58.90%	56.54%
ESAF Small Finance Bank Limited	NA	NA	57.93%	63.69%	60.31%
Fincare Small Finance Bank Limited	NA	NA	66.36%	60.01%	55.93%

Note:

1. Cost to Income Ratio represents operating expenses for the relevant period/ fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/ fiscal year, expressed as a percentage. Cost to Income Ratio for Capital Small Finance Bank for the half years ended September 30, 2023 and September 30, 2022, and the years ended March 31, 2023, 2022, and 2021 is not included in the Fitch Report. (Source: Fitch Report)

Our Cost to Income Ratio was 58.48% as at September 30, 2023, which was the fifth highest compared to our peers in the table above.

29. *Our borrowers may transfer loan balances to other banks or financial institutions, resulting in a loss of expected interest income expected from such loans.*

If interest rates rise, borrowers with variable interest rates on their loans are exposed to increased equated monthly instalments ("**EMIs**") when the loans' interest rate adjusts upward. Such borrowers may seek to refinance their loans through balance transfer to other banks and financial institutions to avoid increased EMIs that result from an upwards adjustment of the loans' interest rate. Even if interest rates do not increase, our borrowers may seek to transfer loans to banks or other financial institutions that offer lower interest rates. The tables below set forth our advances transferred to other banks or other financial institutions by borrowers (not including advances transferred by us via IBPCs, assigned advances and NPAs sold to ARCs) and as a percentage of our gross loans as at and for the periods and years indicated.

Particulars	As at and for the half year ended		As at and for the year ended					
	September 30, 2023	September 30, 2022	March 31, 2023		March 31, 2022		March 31, 2021	
	Amount (₹ in millions)	% of gross advances	Amount (₹ in millions)	% of gross advances	Amount (₹ in millions)	% of gross advances	Amount (₹ in millions)	% of gross advances
Advances transferred to other banks or other financial institutions for the period/year (*)	16,824.31	7.88	21,010.61	11.67	20,970.17	15.83	9,314.30	7.87
Gross advances at the end of the period/year	213,471.30	100.00	180,007.41	100.00	132,503.20	100.00	118,389.82	100.00

Note:

(*) Non-GAAP Financial Measure.

Loan balance transfers result in a loss of interest income expected from such loans over the course of their tenor. All banks are prohibited from charging pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers. Even where we are allowed to charge a pre-payment penalty, the amount of such penalty will not make up for all of the loss of interest income expected from such loans. Some of our borrowers may be able to find balance transfer options at comparably lower interest rates or other financing alternatives, which could have an adverse effect on our business, results of operations and financial condition.

30. ***Advances transferred via IBPCs, assigned advances and NPAs sold to ARCs are all off balance sheet advances. Our off balance sheet advances expose us to certain risks, including not having sufficient liquidity at the time of redemption of an IBPC, the assumption of the IBPC assets on our balance sheet upon redemption will adversely affect our CRAR and the risk of loss of income from those advances if an agreement pursuant to which we act as a collection agent is terminated.***

A bank having a shortfall in its priority sector lending target would be able to meet the target by buying IBPCs issued by other banks that have already exceeded their regulatory targets for priority sector advances. We transfer advances through IBPCs. In accordance with the applicable RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by our Bank is reduced from our advances. IBPCs with risk sharing can be issued for 91-180 days and only in respect of advances classified as standard. In case of participation with non-risk sharing, the aggregate amount of participation is classified as borrowings. At the end of the term, the advances transferred by us via IBPCs are transferred back to us. However, we may not have sufficient liquidity at the time of redemption of the IBPC. Further, the assumption of the IBPC assets on our balance sheet upon redemption will adversely affect our capital adequacy ratio.

We also assign advances to other banks, either in the form of direct assignment or pass through certificates. In the case of pass through certificates, we enhance the credit of other banks through additional cash margins, excess interest reserve, etc. While NPAs on the assets assigned through pass through certificates are entirely on the accounts of the assignee, in the case of direct assignment, we retain an interest in the assigned pool, and any deterioration in performance would result in NPA recognition, insofar as our interest in the assigned pool turns into NPAs. In addition, direct assignment and pass through certificates carry the risk of our assignees not wanting to continue purchasing direct assignment or pass through certificates from our Bank in the future because of low collection efficiency or high NPAs. Furthermore, there are responsibilities imposed on our Bank as the servicer of these loans, and we may be unable to fulfil our responsibilities as a servicer under the assignment transactions for direct assignment or pass through certificates. If we fail to comply with our responsibilities under these agreements, these agreements could be terminated and we would no longer earn revenue share from those loans.

In addition, we also sell NPAs to ARCs. We act as the collection agent for these NPAs and are paid fees for doing this. We are also entitled to a share of any additional collection from the pool of ARC assets after the redemption of the security receipts and the payment of the expenses relating to the transaction. If we fail to comply with the terms of an agreement pursuant to which we act as a collection agent, the agreement could be terminated and we would no longer earn fee income from those loans.

Advances transferred via IBPCs, assigned advances and NPAs sold to ARCs are all off balance sheet advances. The table below sets forth details of our AUM as the dates indicated.

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	(₹ in millions)			
Gross advances [A]	213,471.30	180,007.41	132,503.20	118,389.82
Off-balance sheet advances:				
Inter-bank participation certificates [i]	900.00	11,350.00	19,627.50	8,898.80
Assigned advances [ii]	10,847.35	6,725.80	417.44	416.64
Advances sold to ARCs for which our Bank is acting as a collection agent [iii]	5,076.96	2,934.81	925.23	-
Total off-balance sheet advances [B = i + ii + iii]	**16,824.31**	**21,010.61**	**20,970.17**	**9,315.44**
AUM(*) [C = A + B]	**230,295.58**	**201,018.02**	**153,473.37**	**127,705.26**

Note:

(*) Non-GAAP Financial Measure.

31. ***We cannot assure you that any new products and services we introduce will be profitable, which may adversely affect our business, financial condition, results of operations and cash flows.***

We have introduced several new products since April 1, 2019, including, among others, term loans to NBFC and Micro Housing in Fiscal 2020 and two-wheeler loans in Fiscal 2021. For a table showing the interest earned on term loans to NBFC, Micro Housing and two-wheeler loans in the half year ended September 30, 2023 and 2022 and Fiscals 2023, 2022 and 2021, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations–- Increase in Product Offerings*" on page 476.

We cannot assure you that any new products and services we introduce will be successful, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements. In the event that we fail to launch new products or services successfully, we may lose any or all of the investments that we have made in promoting them and training our employees, and our reputation would be harmed. Further, we require approval from regulatory authorities before we commence offering certain products and services, such as mutual fund distribution. If we fail to obtain such approvals, we may lose a part, or all, of the costs incurred in the development of such offerings. If we are unable to effectively manage any of these issues it could adversely affect our business, financial condition, results of operations and cash flows.

32. ***We face asset liability mismatches, which could affect our liquidity and consequently may adversely affect our financial condition, results of operations and cash flows.***

We face liquidity risks due to mismatches in the maturity of our assets and liabilities. The following table sets forth the maturity pattern of certain items of assets and liabilities as at September 30, 2023, which is prepared/compiled based on guidelines provided by the RBI.

Particulars	Up to One Month	Over One Month to Three Months	Over Three Months to Six Months	Over Six Months to One Year	Over One Year to Three Years	Over Three Years to Five Years	Over Five Years	Total
	(₹ in millions, except percentages)							
Cash and Bank Balance with RBI	4,241.00	345.98	177.10	1,052.78	3,829.39	121.83	0.20	9,768.28

Particulars	Up to One Month	Over One Month to Three Months	Over Three Months to Six Months	Over Six Months to One Year	Over One Year to Three Years	Over Three Years to Five Years	Over Five Years	Total
	(₹ in millions, except percentages)							
Balance with Banks	228.40	-	-	104.65	14.88	5.00	-	352.93
Advances	2,604.80	14,753.55	19,565.44	38,624.35	54,054.37	15,348.37	65,136.23	210,087.10
Investments	22,193.80	2,588.74	2,717.55	9,242.24	12,664.50	5,677.61	7.49	55,091.94
Fixed Assets	-	-	-	-	-	-	1,330.39	1,330.39
Other Assets	1,500.02	1,659.75	29.11	256.94	513.59	798.91	(2.65)	4,755.67
Total Assets	**30,768.02**	**19,348.01**	**22,489.20**	**49,280.96**	**71,076.73**	**21,951.72**	**66,471.67**	**281,386.31**
Capital & Reserve	-	-	-	-	-	-	25,689.65	25,689.65
Deposits	14,862.27	14,329.61	18,238.11	54,526.16	84,495.61	2,864.16	51.32	189,367.24
Borrowings	143.80	2,055.90	5,666.92	19,017.14	23,086.68	3,164.16	0.83	53,135.43
Other Liabilities	6,871.05	3,574.90	1,108.38	1,508.96	105.70	25.00	-	13,193.99
Total Liabilities	**21,877.12**	**19,960.41**	**25,013.41**	**75,052.26**	**107,687.99**	**6,053.32**	**25,741.80**	**281,386.31**
Liquidity Gap	8,890.90	(612.40)	(2,524.21)	(25,771.29)	(36,611.27)	15,898.40	40,729.87	-
Cumulative Liquidity Gap	8,890.90	8,278.50	5,754.29	(20,017.00)	(56,628.27)	(40,729.87)	-	-
Cumulative Liabilities	21,877.12	41,837.54	66,850.94	141,903.20	249,591.19	255,644.51	281,386.31	
Cumulative Liquidity Gap as a percentage of Cumulative Liabilities (%)	40.64%	19.79%	8.61%	(14.11)%	(22.69)%	(15.93)%	-	

Note: Grouping of future Rupee cash flows in the above table is in accordance with the guidelines issued by RBI under its circular PBOD.NO.BP.BC.38/21.04.098/2007. The numbers for certain line items in the above table are different from those appearing in the same line item in the Restated Financial Statements as the above table was prepared as per RBI guidelines, which requires (a) perpetual bonds to be considered as Capital, (b) the table to be prepared on a gross basis without the netting of certain items, such as provisions relating to tax, prepaid taxes and advances set off, and (c) the accumulated profit for the half year ended September 30, 2023, to be classified in other liabilities.

As shown in the table above, as at September 30, 2023, we had a negative cumulative liquidity gap of ₹20,017.00 million for the period over six months to one year, a negative cumulative liquidity gap of ₹56,628.27 million for over one year to three years and a negative cumulative liquidity gap of ₹40,729.87 million for over three years to five years.

For details on the maturity pattern of certain items of our assets and liabilities as at September 30, 2023 and March 31, 2023, 2022 and 2021, as per the disclosure prepared in line with the RBI Master Direction on Financial Statements – Presentation and Disclosures dated August 30, 2021 (as amended) see "*Financial Statements – Note 11. Asset Liability Management (ALM)*" on page 439.

We may rely on funding options with a short-term maturity period for extending long-term loans, which may lead to an asset liability mismatch for certain periods. Mismatches between our assets and liabilities are compounded in case of pre-payments of the advances we grant to our customers. Further, asset liability mismatches create liquidity surplus or liquidity crunch situations and depending upon the interest rate movement, such situations may adversely affect our Net Interest Income. If we are unable to obtain additional borrowings or renew our existing credit facilities for matching tenures of our loan portfolio in a timely and cost-effective manner or at all, it may lead to mismatches between our assets and liabilities, which could adversely affect our financial condition, results of operations and cash flows. For details on how we manage our liquidity risks, see "*Our Business – Risk Management – Liquidity Risk and*

Interest Rate Risk" on page 304.

33. ***We had negative cash flows from operating activities for the half years ended September 30, 2022 and September 30, 2023 and for Fiscal 2023 and we may experience negative cash flows from operating activities in the future.***

Our net cash flow from operating activities was ₹(22,206.45) million and ₹(7,836.00) million for the half years ended September 30, 2022 and September 30, 2023 and ₹(11,371.81) million for Fiscal 2023. Our cash generated from operations before adjustments was positive in the half years ended September 30, 2022 and September 30, 2023 and in Fiscal 2023 and it was primarily an increase in advances that resulted in us having net cash used in operating activities for the half years ended September 30, 2022 and September 30, 2023 and for Fiscal 2023. For further details, see "*Financial Statements – Restated Summary Statement of Cash Flows*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources–Cash Flows–Operating Activities*" on pages 395 and 500, respectively. We may experience negative cash flows from operating activities in the future.

34. ***If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our financial condition, results of operations and cash flows.***

The table below sets forth the gross block amount (except for cash on hand, which is not a fixed asset) of the assets we have insured, the insured amount for such assets and the percentage of such assets insured as at September 30, 2023.

Particulars	As at September 30, 2023		
	Amount (Gross Block) [A] (₹ in millions)	Insured Amount [B] (₹ in millions)	Insurance Coverage [C = B/A] (%)
Leasehold premises	1,391.40	1,391.40	100.00%
Computer hardware	1,076.77	1,076.77	100.00%
Furniture and fixtures	423.75	423.75	100.00%
Office equipment	421.85	421.85	100.00%
Electrical installation	7.89	7.89	100.00%
Servers and Networks	570.82	570.82	100.00%
Vehicles	0.00	0.00	0.00%
Cash on hand (1)	555.38	170.00	30.61%

Note:

(1) Cash on hand is part of our bankers' indemnity policy, which has a cover of up to ₹170 million. Cash on hand is not a fixed asset.

For details on the insurance policies that we hold, see "*Our Business – Insurance*" on page 309. While we are covered by a range of insurance policies that we believe are consistent with industry practice in India and in accordance with the guidelines provided by RBI to cover risks associated with our business, we cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. Even if such losses are insured, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. The table below sets forth our insurance claims for the periods and years indicated.

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)				
Insurance claims	0.71	0.57	2.90	5.16	5.96

Since April 1, 2020, we have not incurred any serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our financial condition, results of operations and cash flows.

Operational Risks

35. ***Weaknesses, disruption or failures in IT systems could adversely affect our business. In addition. We may face cyber threats attempting to exploit our network to disrupt services to customers and/or theft of sensitive internal***

data or customer information, which may cause damage to our reputation and adversely affect our financial condition, results of operations and cash flows.

We are reliant on information technology ("**IT**") systems in connection with, but not limited to, financial controls, risk management and transaction processing. The size and complexity of our computer systems may make them potentially vulnerable to breakdown, system integration problems, malicious intrusion and computer viruses. Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our IT systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting and other data processing systems, management information systems and our website may fail to operate adequately or become disabled as a result of events beyond our control, including a disruption of electrical or communications services.

All aspects of our sourcing and collections across assets and liabilities are digitised using mobile tablets, with an emphasis on straight through processing while incorporating fraud and regulatory checks. PAN validation, electronic-KYC, credit bureau checks supporting multiple bureaus, AML checks and ID-dedupe are fully automated using a robust integration layer. We have partnered with two fintech companies to tap into an array of online APIs that provide customer financial and non-financial information sourced from various governmental agencies and other trusted service providers. We have also invested in various technology, infrastructure and tools to drive data analytics and to convert our data into impactful insights.

Our core banking system and other key processes and critical application systems, such as anti-money laundering check, helpdesk service centre, sourcing for customers, lead life-cycle management, loan processing, treasury operations support, internet banking, loan disbursement and collection, customer relationship management, and asset liability management are supported by third-party technology platforms. We have collaborated with software solution providers and software service providers for these functions. Any failure by our third-party vendors to perform any of these functions could adversely affect our business, financial condition and results of operations.

Our online delivery channels are subject to various risks, such as network connectivity failure, information security issues and browser compatibility issues. We may also be subject to disruptions of our IT systems arising from events that are wholly or partially beyond our control or the control of our third-party vendors (including, for example, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, hacking, cyber-attacks (which are discussed in more detail below) or similar events, or loss of support services from other third parties, such as internet backbone providers). Since April 1, 2020, we have not experienced a failure in our IT systems that has resulted in a material adverse effect on our business, financial condition, results of operations or cash flows. In the event we experience material interruptions in our IT systems in the future, this could give rise to deterioration in customer service and to loss or liability to us and it could adversely affect our business, financial condition, results of operations and cash flows.

We are exposed to various cyber threats, including (a) phishing and Trojans targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt extract account sensitive information; (b) hacking, wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; and (c) data theft, wherein cyber criminals may attempt to enter our network with the intention of stealing our data or information. In addition, we face the risk of our customers incorrectly blaming us and terminating their accounts with us for any cyber security breaches that may have occurred on their own system or with that of an unrelated third party or through compromise of their security details by them. Cyber security breaches could lead to the loss of trade secrets or other intellectual property or could lead to the public exposure of personal information (including sensitive financial and personal information) of our customers and employees. Since April 1, 2020, we have not experienced any cyber security incident that has resulted in the exposure of any customer data or that had a material adverse effect on our business, financial condition, results of operations or cash flows. However, we have reported one cyber security incident to the RBI Cyber Security and Information Technology Examination on July 26, 2019 following the exposure of test data hosted on a third party cloud server. No customer data was exposed as a result of this incident.

The frequency of cyber threats may increase in the future with the increased digitization of our services. Although we intend to continue to strengthen our security technology and implement better operational procedures to prevent break-ins, damage and failures, there can be no assurance that instances of IT infringements and security breaches will not take place in the future or that our security measures will be adequate or successful. Any cyber security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

We are also vulnerable to risks arising from the failure of employees to adhere to approved procedures, failures of security systems, information system disruptions, communication systems failure and data interception during transmission through external communication channels and networks. Failure to detect these security breaches may adversely affect our operations.

We are compliant with the RBI's requirements for system failover and disaster recovery management. In order to mitigate IT systems risks, we undertake the following measures:

- We have information security risk monitoring systems and tools to protect sensitive customer data and guard against potential hackers and viruses;
- We have adopted governance, controls and sophisticated technology across lines of business to help ward off cyber threats and protect our information;
- We use back-up procedures, restricted access to applications and other security restrictions and upgrade our systems with the latest security standards. Security policies and procedures for critical applications are updated on a periodic basis and users are educated on adherence to the policies to help eliminate data leakages; and
- We have a data centre in Bengaluru that is managed for us by a third party. As part of our business continuity measures, we have a disaster recovery centre in Mumbai that is managed for us by a third party and is tested on a regular basis.

However, if for any reason the switch over to the back-up system does not take place or if a calamity occurs in both Bengaluru and Mumbai such that our data is compromised at both places, it would have an adverse effect on our business, financial condition, results of operations and cash flows.

36. ***If we fail to adapt to technological advancements in the financial services sector, it could affect the performance and features of our products and services and reduce our appeal to customers.***

Our continued success will depend, in part, on our ability to respond to technological advancement in the way customers prefer to execute their financial services. Technological innovation in digital wallets, mobile operator banking, advancements in blockchain technology, payment banks, fintech companies and internet banking through smart phones could disrupt the banking industry as a whole. If we fail to keep pace with technological advancements in the financial services sector quickly and effectively it could affect the performance and features of our products and services and reduce our appeal to existing and potential customers, thereby adversely affecting our business, financial condition, results of operations and cash flows.

37. ***Customers located in the states of Tamil Nadu, Karnataka and Maharashtra represent a significant portion of our advances and deposits and customers in West Bengal represent a significant portion of our deposits. Any adverse developments in these states, such as an economic downturn, political unrest, natural disasters or epidemics, could adversely affect our business, financial condition and results of operations.***

The table below sets forth our number of banking outlets in Tamil Nadu, Karnataka, Maharashtra and West Bengal and as a percentage of our total banking outlets as at September 30, 2023.

Banking outlets	**As at September 30, 2023**	
	Number of banking outlets	**% of total banking outlets**
Total	**771**	**100.00**
Of which:		
Tamil Nadu	87	11.28
Maharashtra	81	10.51
Karnataka	55	7.13
West Bengal	49	6.36

The table below sets forth our gross advances to customers in Tamil Nadu, Karnataka, Maharashtra and West Bengal and as a percentage of our gross advances as at September 30, 2023.

Gross advances	**As at September 30, 2023**	
	Amount (₹ in millions)	**% of total gross advances**
Total gross advances	**213,471.30**	**100.00**
Of which:		
Tamil Nadu	29,478.38	13.81
Maharashtra	26,197.55	12.27
Karnataka	25,954.70	12.16
West Bengal	10,220.50	4.79

The table below sets forth our deposits from banking outlets in Tamil Nadu, Karnataka, Maharashtra and West Bengal and as a percentage of our total deposits as at September 30, 2023.

Deposits	**As at September 30, 2023**	
	Amount (₹ in millions)	**% of total deposits**
Total Deposits	**189,367.24**	**100.00**
Of which:		
Tamil Nadu	16,211.52	8.56
Maharashtra	20,248.83	10.69
Karnataka	23,364.96	12.34
West Bengal	18,016.64	9.51

Any adverse developments in Tamil Nadu, Maharashtra, Karnataka or West Bengal, such as a slowdown in economic activity, political unrest, natural disasters or epidemics, including a new strain of COVID-19, could adversely affect our business, financial condition and results of operations**.** The market for our products in these states may perform differently from, and be subject to, market, regulatory and legal developments that are different from the requirements in other states of India.

38. ***If our risk management policies are ineffective, it could adversely affect our business, financial condition, results of operations and cash flows.***

We have devoted significant resources to develop our risk management policies and procedures and plan to continue to do so in the future. For details on our risk management policies, see "*Our Business – Risk Management*" on page 301. Despite this, our policies and procedures to identify, monitor, manage and mitigate risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our methods of managing risks are based on the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may be unable to effectively mitigate our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

The effective management of our investment risk and interest rate risk depend on our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings depend on our ability to effectively manage changes in credit quality and risk concentrations, the accuracy of our valuation models and critical accounting estimates and the adequacy of our allowances for loan losses.

As at September 30, 2023, our investments were ₹55,091.94 million, which represented 19.60% of our total assets as at that date. To the extent our assessments, assumptions or estimates prove inaccurate or non-predictive of actual results, we could suffer higher-than-anticipated losses.

Management of operations, legal and regulatory risks requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective. Further, as we seek to expand the scope of our operations, we also face the risk that we may not be able to develop risk management policies and procedures for new business areas or manage the risks associated with the growth of our existing business effectively. If we are unable to develop and implement effective risk management policies, it could adversely affect our business, financial condition, results of operations and cash flows.

39. ***We are dependent on our Key Management Personnel, Senior Management Personnel and other key personnel and the loss of, or our inability to retain or attract, such persons could adversely affect our business, financial condition, results of operations and cash flows.***

We believe that the inputs and experience of our Key Management Personnel and Senior Management Personnel are valuable for the development of our business and operations and the strategic directions taken by us. For details in relation to the experience of our Key Managerial Personnel and Senior Management Personnel, see "*Our Management*" on page 345. Our continued success depends to a large extent on our ability to recruit and retain Key Managerial Personnel, Senior Management Personnel and other key personnel, including our operational managers, credit managers and branch managers. If we are unable to retain or suitably replace such persons, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. The terms of employment of one of our Key Managerial Personnel, namely, Mahalingam Ramachandran, is on a contractual basis, and can be extended by mutual consent, subject to the terms and conditions of their respective appointments.

The table below sets forth the attrition and the attrition rate of our Key Managerial Personnel and Senior Management Personnel in the period and years indicated.

Particulars	**As at and for the Half year ended**	**As at and for the year ended**		
	September 30, 2023	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Attrition of Key Managerial Personnel for the year [A]	1	-	1	-
Attrition rate of Key Managerial Personnel for the year [B = A/D] (%)	25.00%	-	25.00%	-
Total Key Managerial Personnel as the end of the year [C]	3	3	3	3
Total Key Managerial Personnel as the end of the year plus Key Managerial Personnel who left during the year [D = A + C]	4	3	4	3
Attrition of Senior Management Personnel for the year [E]	1	3	2	2
Attrition rate of Senior Management Personnel for the year [F = E/H] (%)	7.14%	18.75%	13.33%	13.33%
Total Senior Management Personnel as the end of the year [G]	13	13	13	13
Total Senior Management	14	16	15	15

Particulars	As at and for the Half year ended	As at and for the year ended		
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Personnel as the end of the year plus Senior Management Personnel who left during the year [H = A + C]				

In addition, our previous CFO resigned on July 20, 2023.

We cannot assure you that we will renew the terms of employment of our Key Managerial Personnel or that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with us.

The table below sets forth the attrition and the attrition rate of our employees in the period and years indicated.

Particulars	As at and for the Half year ended	As at and for the year ended		
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Attrition of employees for the year [A]	3,698	9,631	8,912	7,698
Attrition rate of employees for the year [B = A/D] (%)	15.37%	34.62%	36.30%	31.66%
Total employees as the end of the year [C]	20,355	18,184	15,641	16,867
Total employees as the end of the year plus employees who left during the year [D = A + C]	24,053	27,815	24,553	24,316

We may be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in retaining and attracting employees. In addition, failure to train and motivate our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources and impose significant costs on us, thereby adversely affecting our business, financial condition, results of operations and cash flows.

40. ***We could be subject to volatility in results from our treasury segment, which could have an adverse effect on our financial condition, results of operations and cash flows.***

Our results from our treasury segment comprises interest and dividend income from investments, profit/loss from sale of investments and income and expenses from our money market operations. The table below sets forth our treasury segment results for the periods and years indicated.

Particulars	Half year ended		Year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
	(₹ in millions, except for percentages)				
Treasury segment result	274.56	219.05	243.85	1,245.59	(977.48)

For the reasons for the changes in our treasury segment results, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Our Business Segments-Treasury*" on page 500.

Our treasury operations are vulnerable to changes in interest rates, exchange rates, equity prices and other factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. In particular, if interest rates rise, the valuation of our fixed income securities portfolio, such as Government securities and corporate bonds, would decline. For further details, see *"- 16. We are subject to interest rate risk, the occurrence of which would have an adverse effect on our Net Interest Margin, which would adversely affect our Net Interest Income and, in turn, our results of operations and cash flows. In addition, an* *increase in interest rates would result in a decrease in the value of our fixed income securities, which could adversely affect our financial condition, results of operations and cash flows.*" on page 52. Although we have operational controls and procedures in place for our treasury operations, such as counterparty limits, position limits, stop loss limits and exposure limits, that are designed to mitigate the extent of such losses, there can be no assurance that we will not incur losses in the course of our proprietary trading on our fixed income book held in the available for sale and held for trading portfolios. Any such losses could adversely affect our financial condition, results of operations and cash flows.

41. ***Our business correspondent entities act for us on a non-exclusive basis, except at our business correspondent-operated banking outlets, where they act on an exclusive basis. If any of our business correspondents promote our competitors' loans over our loans or the agreements between us and them are terminated or not renewed, it would adversely affect our business, financial condition, results of operations and cash flows.***

We utilise the services of business correspondents in order to help grow our business in locations where operating a conventional Branch is not viable and also for supporting our Branches to provide better service to our customers, particularly in rural areas. We have appointed three corporate entities as business correspondents to manage a total of 174 banking outlets in unbanked rural centres as at September 30, 2023. Those three business correspondents also source and service customers for agricultural and allied loans, individual and micro business loans, and group loans as well as deposits. In addition, we had 17 other business correspondents that source and service customers for agricultural and allied loans, individual and micro business loans, and group loans as well as deposits as at September 30, 2023. Our business correspondent entities act for us on a non-exclusive basis, except at our business correspondent-operated banking outlets, where they act on an exclusive basis. The table below sets forth the number of our business correspondents as at the dates indicated.

Particulars	As at September 30,	As at March 31,		
	2023	2023	2022	2021
Number of business correspondents	20	21	11	14

None of our business correspondents are related parties of our Promoters, Directors, or Key Managerial Personnel as the date of this Prospectus.

The tables below set forth our gross advances sourced or serviced by our business correspondents and as a percentage of our gross advances as at the dates indicated.

Particulars	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	% of total gross advances	Amount (₹ in millions)	% of total gross advances	Amount (₹ in millions)	% of total gross advances	Amount (₹ in millions)	% of total gross advances
Gross advances sourced or serviced by business correspondents	21,932.73	10.27	18,673.46	10.37	9,033.65	6.82	2,677.18	2.26
Total gross advances	213,471.30	100.00	180,007.41	100.00	132,503.20	100.00	118,389.82	100.00

We do not pay any compensation to business correspondents for sourcing deposits and, as such, we do not track the deposits sourced by our business correspondents.

If any of our other business correspondents prefer to promote our competitors' loans or our agreements with them ae terminated or not renewed it would adversely affect our business, financial condition, results of operations and cash flows.

42. ***We lease or licence all of our business premises and any failure to renew such leases or licences or their renewal on terms unfavourable to us may adversely affect our business, financial condition and results of operations and cash flows.***

We lease or licence all of our business premises. We do not lease any property from related parties. Our Registered and Corporate Office is located on leased premises. As at September 30, 2023, we also leased/licensed 14 zonal offices and 597 Branches. As at September 30, 2023, we had 61 ATMs, all of which were on leased/licensed premises. These ATMs are branded as our ATMs but the ATM operator provides machine maintenance, cash balancing, reconciliation, cash collection and replenishment services and provides daily MIS on the basis of which the balances are compared and reconciled as per the balances with our core banking systems. Termination of or a failure to renew a lease or licence agreement would require us to shift the concerned Branch or ATM to new premises. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease or licence agreements or the landlord does not have the title of the property and the actual owner of the property evicts us. If we are required to relocate a significant number of our Branches or ATMs, this may cause a disruption to our operations or result in increased costs, or both, which may adversely affect our business, financial condition and results of operations. In addition, we may not be able to renew our leases or licences on terms that are favourable to us, which would lead to an increase in costs, thereby adversely affecting our financial condition, results of operations and cash flows.

43. ***Any non-compliance with law or unsatisfactory service by the third-party service providers engaged by us for certain services could have an adverse impact on our business, results of operations and cash flows.***

We enter into outsourcing arrangements with third party vendors and independent contractors, in compliance with the RBI guidelines on outsourcing. These vendors and contractors provide services that include, among others, IT and IT support, collections, loan sourcing, ATM maintenance, card related services, business correspondents, facility management services related to information technology, software services and service centre. We are also dependent on various vendors for certain elements of our operations, including, treasury operation, human resources, implementing IT infrastructure and hardware, branch roll-outs, networking, managing our data centre, and back-up support for disaster recovery. As a result of outsourcing such services, we are exposed to various risks, including strategic, compliance, operational, fraud, theft, embezzlement, legal and contractual risks. Any failure by a service provider to provide a specified service or a breach in security/ confidentiality or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation. We measure the quality of services proved to us by service providers by overseeing the performance of vendors through a number of measures, including: (a) visits by the vendor managers to review vendor performance; (b) audit by the internal audit team to ensure adherence to the accepted service standards; (c) review by information security team to check effectiveness of security practices; (d) disaster recovery drills; (e) business continuity tests for minimal disruptions to services; and (f) reviews by vendor managers on an ongoing basis to provide feedback. We cannot assure you that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligation. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition, results of operations and cash flows may be adversely affected. We cannot assure you that the terms of such agreements will not be breached, and in case of any dispute, it may result in litigation costs, which could adversely affect our results of operations and cash flows. Since April 1, 2020, we have not suffered any material loss from a third party failing to perform any outsourced service for us. We are compliant with the RBI's requirements on outsourcing.

The "Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Bank" issued by the RBI on March 11, 2015 place obligations on banks and their directors and senior management for ultimate responsibility for the outsourced activity. Banks are required to ensure outsourced service providers obtain prior approval for the use of subcontractors. The RBI has also directed banks to review the subcontracting arrangements and ensure that such arrangements are compliant with aforementioned RBI guidelines.

If our third-party service providers act negligently or unlawfully, we would be exposed to the risk of vicarious liability as well as actions being taken against us by the RBI, which could adversely affect our business, financial condition, results of operations and cash flows.

Legal Risks

44. ***We are involved in certain legal proceedings, any adverse developments related to which could adversely affect our reputation, business, financial condition, results of operations and cash flows.***

There are outstanding legal proceedings involving our Bank. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. We cannot assure you that these proceedings will be decided in our favour. Brief details of material outstanding litigations that have been initiated by and against our Bank, our Directors and our Promoters, as applicable, are set forth below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigations	Aggregate amount involved (₹ in millions) [(1)]
By the Bank	11,604[(2)]	Nil	2,051[(3)]	Nil	3	8,264.21
Against the Bank	19	25	1	Nil	1	927.13
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) *To the extent ascertainable and quantifiable.*

(2) *Including 259 First Information Reports registered by our Bank, 16 cases filed before the Judicial Magistrates under Section 156 of the Code of Criminal Procedure, 1973, 6,307 filed under Section 138 Negotiable Instruments Act, 1881 involving an aggregate amount of ₹4,757.78 million (to the extent quantifiable) and 5,022 police complaints filed by the Bank.*

(3) *Including 2,051 proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Security Interest (Enforcement) Rules, 2002, each as amended, involving an aggregate amount of ₹ 3,295.04 million (to the extent quantifiable)*

As noted in the table above, there are two criminal matters involving our Bank and our MD and CEO, in relation to non-refunding of expenses incurred by the complainant towards structural changes and renovation of premises taken on lease by our Bank, and in relation to non-payment of demand drafts amount as per the sanctioned loan issued to the complainant by the Bank.

Our Bank had assigned a pool of accounts of ₹1,500 million to Bank of Baroda (erstwhile Vijaya Bank) ("**Assignee**") on March 31, 2016 and transferred the identified pool of accounts by way of direct assignment of receivables of all principal and securities. Further, Bank of Baroda has appointed our Bank as a servicer to collect the instalment amounts of the assigned pool and deposit the same in the pay-out account ("**Assignment Transaction**"). Bank of Baroda issued a legal notice dated December 23, 2020 ("**Legal Notice**") alleging, among other things, irregular payment and default in payment of outstanding amounts as per the Assignment Transaction, amounting to classification of the account as a non-performing asset, and seeking payment of outstanding amount of ₹122.64 million along with interest due. Our Bank had responded to the Legal Notice on January 13, 2021 refuting the claims of Bank of Baroda, stating that the obligations under the Assignment Agreement cannot be construed to be on par with a credit facility where our Bank is identified as a borrower. Bank of Baroda, through its letter dated January 15, 2021, proposed for appointment of a sole arbitrator at the Arbitration and Conciliation Centre, Bengaluru. Our Bank, through its letter dated January 22, 2021, has consented for adjudication of this dispute by the sole arbitrator at the Arbitration and Conciliation Centre, Bengaluru. The High Court of Karnataka vide its order dated July 16, 2021 was pleased to allow the petition and appointed Justice N. Kumar as sole arbitrator. Bank of Baroda has filed its statement of claim before the arbitrator and the same has been received by our Bank on January 3, 2022. Our Bank has filed its reply to the statement of claim on March 31, 2022. Following the lapse of the sole arbitrator's mandate due to passage of time, the arbitral tribunal adjourned the matter without a specific date *(sine die)* till the parties file a joint memo extending the mandate of the arbitral tribunal. Thereafter, both the parties have filed a joint application before the Additional City Civil and Sessions Judge, Bengaluru ("**Commercial Court**") on November 15, 2023 for extending the mandate of the arbitral tribunal in this matter. The Commercial Court has dismissed the joint application filed, finding it non-maintainable. The matter is currently pending.

We are required to obtain consent for amending our charter documents and for any direct or indirect change in the shareholding of our Promoters under the terms of the servicing agreements entered into by us under the Assignment Transaction with Bank of Baroda. While we sought the requisite approvals from Bank of Baroda in this regard in order to undertake these actions, Bank of Baroda has refused to give the approvals sought in light of the ongoing disputes between Bank of Baroda and our Bank. Bank of Baroda's refusal to give the required consents will not affect our ability to undertake the Offer. Non-compliance with the terms of the servicing agreement could result in the termination of our services as a servicer under the servicing agreements. However, such termination would not have an adverse effect on our Bank, as our income from such servicing agreements was nil for each of Fiscals 2023, 2022 and 2021, respectively.

In addition, see "- *44. We are in dispute with Bank of Maharashtra regarding a pool of receivables amounting to ₹1,000 million we have assigned to it, along with the associated interest payable*" on page 86.

For more details in relation to the legal proceedings summarised in the table above, see "*Outstanding Litigation and Material Developments*" on page 510. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. Such legal proceedings could divert our management's time and attention and cause us to incur expenses. Further, any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations and financial condition.

As at September 30, 2023, our contingent liabilities for the litigation involving our Bank, as set forth above, were ₹559.73 million. We have not made any provisions for possible liabilities arising out of these outstanding litigations. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements as of and for subsequent periods that could increase our expenses and current liabilities.

45. ***We are in dispute with Bank of Maharashtra regarding a pool of receivables amounting to ₹1,000 million we have assigned to it, along with the associated interest payable.***

Our Bank has assigned a pool of receivables of ₹1,000 million along with interest payable to Bank of Maharashtra ("**BoM**") on December 30, 2015. Further, BoM has appointed our Bank as a servicer to collect the instalment amounts of the assigned pool and deposit the same in the pay-out account. Due to difficulties in recoveries from a certain pool of small batch loans, our Bank communicated different settlement mechanisms to BoM to accelerate repayment. Despite such communication, BoM made claims against our Bank before SEBI and the RBI, thereby delaying our IPO process. BoM had not reverted on any of our Bank's suggestions. In light of that, our Bank issued a legal notice dated July 1, 2021 ("**Notice**") denying BoM's allegations, which include, among other things, the non-submission of monthly report of transactions, failure to make arrangements for field visits, failure to submit chartered accountants' certificates and failure of the one-time settlement scheme as suggested by our Bank. Through the Notice, our Bank has invoked arbitration by proposing to appoint a sole arbitrator. In response, BoM has neither assented nor denied the appointment of such arbitrator. Any further attempt by our Bank to reach a settlement was not entertained by BoM. Our Bank had filed an application before the High Court of Bombay for the appointment of the sole arbitrator and further stating that claims for an amount of ₹100 million along with interest for losses incurred are payable by BoM to our Bank. In its order dated December 15, 2021, the High Court of Bombay has directed BoM and our Bank to resolve the dispute amicably. The settlement is currently pending.

46. ***Materialisation of contingent liabilities not provided for as per AS 29-Provisions, Contingent Liabilities and Contingent Assets could adversely affect our financial condition, results of operations and cash flows.***

The components of our contingent liabilities as per AS 29 – Provisions, Contingent Liabilities and Contingent Assets as at the dates indicated are set forth below:

Contingent Liabilities	As at September 30,	As at March 31,		
	2023	2023	2022	2021
	(₹ in millions)			
Claims against our Bank not acknowledged as debts(1)	559.72	559.66	304.69	359.09
Guarantees given on behalf of constituents in India(2)	327.83	26.50	25.00	25.00
Other items for which our Bank is contingently liable(3)	149.03	185.59	87.74	90.50
Total	**1,036.58**	**771.75**	**417.43**	**474.59**

Notes:

(1) We are a party to various taxation matters in respect of which appeals are pending. We expect the outcome of the appeals to be favourable based on decisions on similar issues in the previous years by the appellate authorities, based on the facts of the case and taxation laws. We are a party to various legal proceedings in the normal course of business. We do not expect the outcome of these proceedings to have a material adverse effect on our financial conditions, results of operations or cash flows.

(2) As a part of our commercial banking activities, we issue guarantees on behalf of our customers. Guarantees generally represent irrevocable assurances that our Bank will make payments in the event of the customer failing to fulfil its financial or performance obligations.

(3) *These include: a) guarantees given by our Bank; b) credit enhancements in respect of securitised-out loans; c) bills rediscounted by us; and d) capital commitments.*

In February 2019, the Honourable Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952. We have been legally advised that there are interpretative challenges on the application of a judgement retrospectively, and as such, do not consider there is any probable obligations for past periods. Due to imperative challenges, we have not disclosed a contingent liability amount for past liability.

47. ***If we fail to successfully enforce our intellectual property rights or the agreement pursuant to which we have the non-exclusive license to use the trademarks " " and "JANA" is terminated, our business, results of operations and cash flows would be adversely affected.***

We have entered into a trademark licence agreement dated November 5, 2019 with JUF (the "**Trademark Agreement**"), pursuant to which JUF, the owner of the trademarks, has granted our Bank a non-exclusive, non-transferable, non-assignable license to use the trademarks "J" and "JANA" with further rights of adding any suffix/prefix to "J" logo and word "JANA" or file any device/logo mark within India, subject to prior intimation to JUF. The royalty payable by our Bank pursuant to the Trademark Agreement is 0.40% (excluding GST) of our Bank's revenue from operations, subject to an overall cap of ₹250 million per annum, which is to be reviewed annually. The term "revenue from operations" is not a line item in our Bank's financial statements and it is not defined in the Trademark Agreement. We have calculated the amount payable under the Trademark Agreement based on our Bank's Operating Income (Net Interest Income and other income). Set forth below is a table showing the amount payable to JUF pursuant to the Trademark Agreement and such amount as a percentage of our total income for the periods and years indicated.

Particulars	**Half year ended**		**Year ended**		
	September 30, 2023	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
	(₹ in millions, except for percentages)				
Total payable to JUF (including taxes) [A]	58.38	45.43	99.56	55.01	49.60
Total income [B]	22,155.68	16,896.17	36,998.75	30,623.65	27,207.41
Total payable to JUF as a percentage of total income [c = a/b] (%)	0.25%	0.29%	0.27%	0.18%	0.18%

While the Trademark Agreement is valid in perpetuity, the terms of payment of royalty may be reviewed with the mutual consent of Jana Urban Foundation and our Bank to decide the quantum of payment, periodicity of payment, and rebranding at the earlier of five years from the effective date or when our Bank proposed to transition to a universal bank. The Trademark Agreement may be terminated by Jana Urban Foundation if we are in material breach of the agreement and we have not cured such breach within 30 days of receiving notice of such a breach from Jana Urban Foundation. Upon the consummation of the IPO, the Trademark Agreement shall continue to be in effect subject to approval of the public shareholders by way of a special resolution, for payment of royalty by the Bank to JUF under the Trademark Agreement, at the first shareholders' meeting held by our Bank post listing of the Equity Shares pursuant to an IPO.

We have also obtained trademark registrations for "*Jana Small Finance Bank*" (under class 36). The logo, , is registered in our name with the trademark registry under class 36, which is valid up to April 26, 2028. For further information, see "*Government and Other Approvals – Intellectual Property*" on page 521. The registrations provided to our trademarks are for a limited duration of 10 years and are required to be renewed from time to time. There can be no assurance that we will be able to successfully renew our registrations in a timely manner or at all. We may apply for the registration of other wordmarks or trademarks in the future and there can be no assurance that such applications will be granted. We may not be able to prevent infringement of our trademarks and our action under law may not provide sufficient protection until such time that the registration is granted.

We have filed trademark applications for three logos with the word "DIGIGEN" contained therein with the Registrar of Trade Marks, which are presently pending approval. We offer a digital account facility service in the name and style of "DIGI", which is an online savings bank account. We own and use various trademarks extensively in our business that contains the word "Digi". We have initiated opposition proceedings to trademark applications filed by third parties for registration of "DIGIPLUS" and "DIGIGEN" under certain classes on the grounds that these marks are deceptively similar, phonetically and visually to our DIGI-prefixed marks (such as DIGI-PLUS and DIGIGEN) and that the applicants of the opposed trademarks were former business correspondents of our Bank who had applied for these registrations in breach of their contractual obligations to our Bank. In the event the trademark applications by the third parties for "DIGIPLUS" and "DIGIGEN" are granted, we will be unable to prevent the third parties from using these trademarks, our three trademark applications for 'DIGIGEN' may not be granted and we may be forced to rebrand our digital account opening platform. Rebranding our digital account opening platform would result in us incurring marketing and other costs we may not have incurred otherwise, although these costs would not be material. In addition, even if we are not required to rebrand our digital account opening platform, the use of the trademarks "DIGIPLUS" and "DIGIGEN" by these third parties could adversely affect our reputation in the event those third parties bring those names in to disrepute.

If a dispute arises with respect to any of our intellectual property rights or proprietary information, we will be required to produce evidence to defend or enforce our claims, and we may become party to litigation, which may strain our resources and divert the attention of our management. We cannot assure you that any infringement claims that are material will not arise in the future or that we will be successful in defending any such claims when they arise. Unauthorised use of our intellectual property rights by third parties could adversely affect our reputation. Any adverse outcome in such legal proceedings or our failure to successfully enforce our intellectual property rights may adversely affect our ability to use intellectual property, which could have an adverse effect on our business, results of operations and cash flows.

48. ***Some of our lease/ license agreements have not been registered as required under the Registration Act, 1908.***

As at September 30, 2023, we had a total of 612 lease/license agreements, 37 of which had not been registered as required under the Registration Act, 1908. Unregistered documents that are required to be registered under the Registration Act, 1908 may not be produced for enforcement before a court of law until the registration charges and any penalties as per the applicable State Registration and Stamp Act are paid on such documents. Further, this may affect our ability to renew such agreements or result in us being required to enter into new agreements for those properties and, consequently, we may experience business disruption, which could adversely affect our business, financial condition and result of operations.

Systemic Risks

49. ***We face intense competition in all our principal products and services and if we are unable to compete effectively it would adversely affect our business, financial condition, results of operations and cash flows.***

We face intense competition in all our principal products and services. We primarily compete with other Small Finance Banks, other types of banks and NBFCs to provide secured loans to businesses, gold loans and affordable housing loans and we also compete with housing finance companies to provide affordable housing loans. There are multiple players in the microfinance sector with varied organisational structures. Loans in the microfinance sector are offered by Small Finance Banks as well as other banks, non-banking finance company-microfinance institutions ("**NBFC-MFIs**"), other non-banking finance companies and non-profit organisations. (*Source: Fitch Report*). The 12 Small Finance Banks, including our Bank, cumulatively accounted for 17% of the total gross microfinance loans as at May 31, 2023. (*Source: Fitch Report*). NBFC-MFIs and Banks had a market share of 41% and 32%, respectively, of the total gross microfinance loans as at May 31, 2023. (*Source: Fitch Report*). We were fourth largest in terms of AUM and fourth largest in terms of deposit size among all Small Finance Banks as at September 30, 2023. (*Source: Fitch Report*). For more details, see "*Industry Overview*" on page 215.

Our competitors in the organised sector may have better brand recognition, greater business experience, more diversified operations, a greater customer and depositor base, a larger branch network and better access to funding and at lower costs than we do. Furthermore, certain requirements that are applicable to Small Finance Banks in terms of the SFB Operating Guidelines and other banking laws and regulations are significantly more stringent in comparison to Scheduled Commercial Banks and NBFCs. Ensuring compliance with these laws and regulations has and will continue to limit our revenue, thereby making it more difficult to compete with other players in the organised sector. For further details, see "*–2. We are subject to stringent regulatory requirements and prudential norms. In addition, some of these regulatory requirements and prudential norms are more onerous for Small Finance Banks compared to other banks. We have not been able to comply with certain provisions of the SFB Licensing Guidelines and the RBI Final Approval. As a result, the RBI may take regulatory action against us, which could include imposition of monetary penalties, revocation of the RBI Final Approval or such other penal actions and restrictions deemed fit by the RBI, the imposition of any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.*" on page 39. In addition, we compete with informal sources of lending for microfinance loans, including moneylenders, landlords, local shopkeepers and traders.

On December 5, 2019, the RBI issued guidelines for on-tap licensing of Small Finance Banks, which allow applicants to apply for a Small Finance Bank license at any time, subject to the fulfilment of certain eligibility criteria and other conditions. We expect this to increase competition for us.

Consolidation in the industry driven by the merger of other banks is likely to further increase competition by creating larger, more homogeneous and potentially stronger competitors in the market. For example, the Board of Directors of AU Small Finance Bank Ltd ("**AU SFB**") and the Board of Directors of Fincare Small Finance Bank Ltd ("**Fincare SFB**"), at their respective meetings held on October 29, 2023 approved an all-stock merger of AU SFB and Fincare SFB. Increases in the size of operations of existing competitors or the entry of additional banks offering similar or a wider range of products and services could also increase competition.

Further, with the advent of technology-based initiatives and alternative modes of banking, we may face increased competition, which may in turn impact our results of operations. We also face competition from specialised fintech companies who could disrupt our origination, sales and distribution process.

If we are unable to compete effectively, it would adversely affect our business, financial condition, results of operations and cash flows.

50. ***Deterioration in the performance of any industry sector in which we have significant exposure may adversely affect our financial condition, results of operations and cash flows.***

The following table presents our sector-wise outstanding gross advances and the proportion of these gross advances to our outstanding gross advances as at the dates indicated.

Gross advances	As at September 30,		As at March 31,					
	2023		2023		2022		2021	
	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total
Agricultural and Allied Activities[(1)]	48,547.29	22.74%	41,901.73	23.28%	25,320.20	19.11 %	16,202.09	13.69%
Advances to Industry Sector	17,470.46	8.18%	13,182.55	7.32%	10,199.56	7.70%	5,787.63	4.89%
Advances to Services Sector	61,533.67	28.83%	49,436.93	27.46%	31,388.65	23.69%	24,105.91	20.36 %
Personal Loan and Others	85,919.84	40.25%	75,486.20	41.94%	65,594.79	49.50%	72,294.19	61.06%
Total gross advances	**213,471.30**	**100.00%**	**180,007.41**	**100.00%**	**132,503.20**	**100.00%**	**118,389.82**	**100.00%**

Notes*: The above categorisation is based on the sectoral classification as reported under RBI DSB Risk Based Supervision Returns. The above figures reported are the same as reported under RBI DSB Risk Based Supervision Returns.*

1. *Includes loans purchased under direct assignment.*

Despite monitoring our level of exposure to industry sectors, any significant deterioration in the performance of a particular sector in which we have significant exposure would adversely impact the ability of borrowers within that sector to service their debt obligations to us. As a result, we would experience increased delinquency risk, which may adversely affect our financial condition, results of operations and cash flows.

51. ***The Indian loan against property ("LAP") market faces delinquency and collateral challenges that could impact its stability and growth potential. If we are unable to manage the risks involved in Micro LAP and gross affordable housing loans, it could have an adverse effect on our financial condition, results of operation and cash flows.***

We offer small ticket housing loans and small ticket loans against property (together, "**Micro LAP**") to cater to the housing requirements of underbanked customers. For more details, see '*Our Business- Micro Housing Loans and Micro Loans Against Property (Micro LAP)*" on page 273. We also offer affordable housing loans. For more details, see '*Our Business- Affordable Housing Loans*" on page 275. The table below sets forth our gross Micro LAP and gross affordable housing loans and as a percentage of our gross advances as at the dates indicated.

Category of Advance	**As at September 30,**		**As at March 31,**					
	2023		**2023**		**2022**		**2021**	
	Gross Advances (₹ in millions)	**% of Total Gross Advances**	**Gross Advances (₹ in millions)**	**% of Total Gross Advances**	**Gross Advances (₹ in millions)**	**% of Total Gross Advances**	**Gross Advances (₹ in millions)**	**% of Total Gross Advances**
Micro LAP	38,708.74	18.13	28,070.66	15.59	18,763.45	14.16	12,310.00	10.40%
Affordable housing loans	29,592.25	13.86	23,812.33	13.23	16,595.00	12.52	9,400.00	7.94%
Total gross advances	**213,471.30**	**100.00**	**180,007.41**	**100.00%**	**132,503.20**	**100.00%**	**118,389.82**	**100.00%**

The following risks in relation to the Indian LAP market have been identified in the Fitch Report:

- High delinquency rates: The Indian LAP market has a persistently high delinquency rate, which was 4.0% as at March 31, 2021, which is notably higher compared to other personal loan segments, such as auto loans, two-wheeler loans, and consumer durable loans. As a result, the LAP segment is more susceptible to default and repayment challenges, posing a significant risk to financial institutions.

- Non-residential properties as collateral: The increasing acceptance of non-residential properties as collateral by financial institutions is a risk as the valuation and liquidation processes for such assets can be complex and time-consuming, potentially affecting the recovery of loans in case of default.

- Lack of standardized methodologies for property valuation: The lack of uniformity in valuation practices introduces uncertainty and inconsistency in assessing the true value of collateral. Moreover, the illiquid nature of the Indian real estate market compounds this issue, making it challenging to monitor collateral prices on an ongoing basis. This lag in obtaining accurate price movement data further complicates risk assessment and management for financial institutions.

- Loan churn: Industry research indicates that collateral values, especially in the real estate sector, have stagnated in recent years. In response, many borrowers seek refinancing options, often with the objective of obtaining better terms or lower interest rates. This dynamic can create pressure on financial institutions to maintain their loan portfolios and underwriting standards while competing in a market where borrowers frequently switch lenders.

If we are unable to manage the risks involved in Micro LAP and gross affordable housing loans, it could have an adverse effect on our financial condition, results of operation and cash flows.

52. ***COVID-19 has had and could continue to have an adverse effect on our business, financial condition, results of operations and cash flows.***

The World Health Organization (WHO) declared the outbreak of COVID-19 a global pandemic on March 11, 2020. The Government of India initiated a nation-wide lockdown from March 25, 2020 for three weeks on all services except for essential services (which included bank branches and ATMs), which was extended to May 31, 2020. While our Branches were exempt from the nation-wide lockdown except in the COVID-19 red zones, they were operational as per the timings prescribed by the local authorities. The collection of the repayment amounts of our individual and micro business loans, agricultural and allied loans, and group loans is carried out by our employees collecting the cash from the borrowers at their homes or business premises. In addition, our employees on the ground are primarily responsible for sourcing borrowers for these loans. Due to the nation-wide lockdown, the collection and disbursement activities for these loans were almost stopped entirely during the month of April and was severely curtailed in May 2020. Although the nation-wide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020 in multiple states across specific districts that were witnessing increases in COVID-19 cases. Effective June 1, 2020, loan collection and disbursement activities for these loans started functioning again in most of the centres, except in some areas where the effect of COVID-19 was severe and the respective state governments imposed restrictions on various activities. On September 1, 2020, the Government's notification dated August 29, 2020 that all states are to allow economic activities to function normally while continuing with restrictions only in containment zones came into effect. India witnessed a second wave of COVID-19 at the end of February 2021, leading to state governments imposing curfews and lockdowns in an attempt to control the spread of COVID-19. The second wave of COVID-19 also adversely affected the collection and disbursement activities for our individual and micro business loans, agricultural and allied loans, and group loans. For tables setting forth our disbursements and collections, including average monthly collection efficiency, for Fiscals 2023, 2022 and 2023, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Financial Condition, Results of Operations and Cash Flows –Effects of the COVID-19 Pandemic*" on page 473.

Pursuant to the RBI's 'COVID-19 Regulatory Packages', which were announced on March 27, 2020, April 17, 2020 and May 23, 2020 (collectively, the "**COVID-19 Regulatory Packages**"), lending institutions, including us, were permitted to grant a moratorium of six months on the payment of all instalments and interest on term loans falling due between March 1, 2020 and August 31, 2020 (the "**Moratorium**"). The RBI's circulars in relation to the Moratorium required us to make provisions of 10.0% on loans that were subject to moratorium and that were overdue but standard as at February 29, 2020.

The Supreme Court of India in *Gajendra Sharma Vs Union of India & Anr.*, vide its interim order dated September 3, 2020, directed banks that accounts that were not declared as NPAs as at August 31, 2020 shall not be declared as NPAs until further orders. The Supreme Court of India in *Small Scale Industrial Manufactures Association (Regd.) vs Union of India and others* vide a judgment dated March 23, 2021 has directed that the interim order granted on September 3, 2020 to not declare the accounts of borrowers as NPAs stands vacated. Moving forward from the date of the judgment on March 23, 2021, our Bank resumed recognizing overdue accounts not previously recognised as NPAs, as NPAs. Additionally, the RBI's notification dated April 7, 2021 required us to refund/adjust 'interest on interest' to all borrowers, including those who had availed of working capital facilities, during the Moratorium, irrespective of whether the Moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' was finalised by the Indian Banks Association (the "**IBA**") in consultation with other industry participants/ bodies on April 19, 2021. In Fiscal 2022, we refunded ₹87.48 million on 'interest on interest'. As per the RBI's notification dated April 7, 2021, for the period commencing on September 1, 2020, asset classification for all such accounts shall be as per the applicable RBI asset classification norms.

On August 6, 2020, the RBI issued a circular that permitted lenders to implement a resolution plan ("**Resolution Framework 1.0**"), along with asset classification benefits, for eligible corporate and individual borrower segments. Lenders had to ensure that the resolution facility was provided only to borrowers impacted by COVID-19. The resolution facility was applicable for accounts classified as standard and not in default for more than 30 days as at March 1, 2020. The resolution plan had to be finalised by December 31, 2020 and implemented within 180 days from the date of invocation. Restructuring of loans was also allowed for micro, small and medium enterprises ("**MSMEs**"). The RBI has, vide circular dated September 7, 2020, issued certain financial parameters to be mandatorily considered by lenders while finalising the resolution plan in respect of eligible borrowers.

On May 5, 2021, the RBI announced the resolution framework 2.0 ("**Resolution Framework 2.0**") to protect individuals and MSMEs from the adverse impact of the second wave of COVID-19. The Resolution Framework 2.0 was applicable for accounts classified as 'Standard' as at March 31, 2021, wherein individuals and MSMEs having an aggregate loan exposure of up to ₹250 million who have not availed restructuring under any of the earlier restructuring frameworks and who were classified as 'Standard' as on March 31, 2021 were allowed to restructure their loans. Restructuring under the proposed framework was able to be invoked up to September 30, 2021 and had to be finalised and implemented within 90 days after invocation of the resolution process (with the last date to implement the restructuring for banks being December 31, 2021). The Resolution Framework 2.0 included rescheduling of loan equated monthly instalments and the granting of a moratorium as per our Board-approved policy. In accordance with Resolution Framework 2.0 and our Board approved policy, our Bank restructured loans that were standard as at March 31, 2021. For the purpose of restructuring, the balance outstanding as at the date of restructuring includes interest accrued as at such date, which is considered to be residual debt, and the equated monthly instalment is fixed for such debt by extending the tenure of the loan, if required. Our Bank also provided initial holidays at the customer's request to start repaying their loan as per Resolution Framework 2.0.

For further details on loans restructured under Resolution Framework 1.0 and Resolution Framework 2.0, see "*Financial Statements – Note 7(h) Disclosure under Resolution framework for COVID-19 related stress*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors*

Affecting our Financial Condition, Results of Operations and Cash Flows – Effects of the COVID-19 Pandemic” on pages 436 and 473, respectively.

On October 23, 2020, the Government announced a scheme for the grant of ex-gratia payments to borrowers of certain loan accounts where the sanctioned limit and outstanding amount does not exceed ₹20.00 million (aggregate of all facilities with the lender) irrespective of whether they opted for the Moratorium or not of the difference between compound interest and simple interest charged on those loans for the six-month period from March 1, 2020 to August 31, 2020. The scheme involves the lenders crediting the difference between simple interest and compound interest for the period between March 1, 2020 and August 31, 2020. Lending institutions could then make claims for reimbursement from the Government on or before December 15, 2020, which we did. Our claim for such reimbursement was ₹410.10 million for Fiscal 2021, which had not been paid as at March 31, 2021. We received ₹110.30 million of such reimbursement in Fiscal 2022 and wrote-off the remaining amount of ₹299.80 million in Fiscal 2022.

The COVID-19 pandemic also had a material adverse effect on our gross NPAs and provisions towards NPAs. For details, see “*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Financial Condition, Results of Operations and Cash Flows – Non-Performing Advances and Provisions and Write-offs for Non-Performing Advances*” on page 467.

The Previous Statutory Auditors (MSKC & Associates) have included an emphasis of matters in their audit reports as at and for the year ended March 31, 2021 noting that there are changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, which has led to significant volatility in global and Indian financial markets. The extent to which the COVID-19 pandemic will continue to impact our Bank's operations and financial results will depend on future developments, which are highly uncertain. The Previous Statutory Auditors' opinion has not been modified in respect of this matter.

The extent to which the COVID-19 pandemic and the related economic crisis adversely affect our business, results of operations, financial condition and cash flows in the future will depend on future developments that cannot be predicted, including the scope, severity, duration and future trajectory of the pandemic, future actions taken by governmental authorities, central banks and other third parties in response to the pandemic, and the effects on our customers, counterparties, employees and third-party service providers. In addition to the risks discussed above, the COVID-19 pandemic exposes us to the following risks, the occurrence of any of which could have an adverse effect on our business, financial condition, results of operations and cash flows:

- A decrease in cash flows and income of borrowers and the value of savings of borrowers could cause borrowers to default on repayments of advances, thereby increasing our NPAs and our provisions, and result in a decrease of eligible potential borrowers for new loans, thereby adversely affecting new loans.
- There could be a decrease in demand for our products due to lockdowns or other travel restrictions, an economic downturn or illness.
- We may be unable to maintain sufficient liquidity given the uncertain scope and duration of the COVID-19 pandemic.
- Our operations and the operations of our business correspondents and other third-party service providers could be disrupted by social distancing, split-team, work from home and quarantine measures.
- We could incur increased costs to ensure that we comply with any health and safety rules or regulations adopted by the Government or state governments in response to the COVID-19 pandemic.
- The effects of the COVID-19 pandemic could heighten the other risks described in this “*Risk Factors*” section.

Risks relating to the Promoters

53. ***JHL, one of our Promoters, has undertaken to pledge 23,575,790 Equity Shares held by it in our Bank, which will become effective within two days of expiry of the relevant lock-in period prescribed under Regulations 14 and 16 of the SEBI ICDR Regulations. Any invocation of a pledge would lead to a reduction in shareholding of our Promoters and could decrease our Promoter's influence over our Bank. In addition, a rapid sale of such Equity Shares could result in a material decrease in the market price of the Equity Shares.***

Our Promoters hold 25.20% of our pre-Offer paid-up equity share capital on a fully diluted basis. Following the Offer, our Promoters will hold 22.52% of our Post-Offer paid-up equity share capital on a fully diluted basis. Pursuant to the terms of the (i) agreement dated March 26, 2018 amongst our Bank, JHL and Catalyst Trusteeship Limited acting as the debenture trustee for Edelweiss Capital Limited, which had subscribed to 1,550 debentures issued by JHL for an amount of ₹1,550.00 million (“**Existing Pledge Arrangement I**”), and (ii) agreement dated February 3, 2022 entered into amongst our Bank, JHL and Catalyst Trusteeship Limited acting as the debenture trustee for TPG Asia VI India

Market Pte. Ltd. ("**Existing Pledge Arrangement II**"). JHL had pledged 861,273 Equity Shares, in favour of Catalyst Trusteeship Limited as collateral for certain debentures and payments issued and owed. Further, pursuant to the terms of the agreement dated May 25, 2023 entered into between our Bank, JHL and Catalyst Trusteeship Limited ("**Pledge Arrangement**"), JHL has undertaken to pledge its entire shareholding in our Bank ("**JHL Shareholding**") in favour of Catalyst Trusteeship Limited acting as the debenture trustee for certain debenture holders. Subsequently, the pledge on 251,005 Equity Shares, created for the benefit of Edelweiss Capital Limited under the Existing Pledge Arrangement I, was released on August 14, 2023, pursuant to the redemption of underlying debentures. Further, our Bank has obtained a no-objection certificate from Catalyst Trusteeship Limited dated July 27, 2023, pursuant to which (i) the existing pledge on 610,268 Equity Shares created for the benefit of TPG Asia Market pursuant to Existing Pledge Arrangement II, was released on January 19, 2024 ; and (ii) new pledge on the Equity Shares held by JHL, to be created pursuant to the Pledge Arrangement for the benefit of TPG Asia Market, will be created within two days after the expiration of lock-in periods for minimum promoters' contribution and promoters' holding in excess of minimum promoters' contribution as prescribed under Regulations 14 and 16 of SEBI ICDR Regulations, respectively. The aggregate number of Equity Shares held by JHL to be pledged post compliance with the lock-in requirement prescribed under the SEBI ICDR Regulations shall be 23,575,790 Equity Shares. As of the date of this Prospectus, none of the Equity Shares held by the Promoters in the Bank are subject to any pledge.

Any default under the agreements pursuant to which the Equity Shares have been pledged by JHL will entitle the creditors to enforce the pledge over these Equity Shares and the title to the Equity Shares will be transferred to such parties, resulting in the dilution of JHL's shareholding in our Bank. As a result, we may not be able to conduct our business or implement our strategies as currently planned, which could have an adverse effect on our business. In addition, a rapid sale of any Equity Shares acquired as a result of invoking a pledge could result in a material decrease in the market price of the Equity Shares.

54. ***Our Promoters, JCL and JHL, have incurred a loss after tax in the half year ended September 30, 2022 and the past three Fiscals. In addition, JHL incurred a loss after tax in the half year ended September 30, 2023. If JCL or JHL incur losses in the future, it could limit their ability to infuse any further required capital into our Bank and if we are unable obtain such capital from other sources, it could adversely affect our business, financial condition, results of operations and cash flows.***

JHL, one of our promoters, is a Non-operating Financial Holding Company of our Bank and it has no operations of its own, JHL is a wholly owned subsidiary of JCL. JCL is a Non-Banking Financial Institution - Non-Deposit Taking - Systemically Important Core Investment Company. JCL's entire investment is in JHL and it has no operations of its own.

The table below sets forth the profit/(loss) after tax of JCL and JHL on a standalone basis for the periods and years indicated.

Name of Company	Six months ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	Profit / (Loss) after tax (₹ in millions)				
JHL	(1,293.42)	(1,631.62)	(3,325.09)	(2,433.32)	(2,326.81)
JCL	5,257.12	(1,836.88)	(3,570.29)	(2,748.49)	(2,600.65)

The losses after tax incurred by JHL noted in the table above are primarily due to the accrual of interest on non-convertible debentures it has issued. Losses incurred by JCL include losses due to impairment of financial investments. JHL is a wholly owned subsidiary of JCL and any loss incurred by JHL is accounted for as an impairment in the books of JCL. JCL's profit after tax of ₹5,257.12 million for the six months ended September 30, 2023 was primarily due to the following reason. NCDs Series A to G issued by JHL in Fiscal 2018 for a total face value of ₹5,030.00 million were subscribed by TPG Asia VI India Markets Pte Ltd and GIC Pte Ltd. JHL purchased these NCDs in the open market (Whole Sale Debt Market) on May 25, 2023 at the face value. The NCDs were redeemed by JHL on May 25, 2023 and May 26, 2023 for the total value of ₹11,927.70 million. In this transaction, JCL made a profit of ₹6,897.70

million.

The table below sets forth the amount of capital infusion in JHL and JCL on a standalone basis for the years indicated.

Name of Company	Year ended March 31,				
	2023	2022	2021	2020	2019
	Amount of capital infused (₹ in millions)				
JHL	750.00	Nil	Nil	1,490.00	Nil
JCL	Nil	Nil	Nil	Nil	Nil

The auditor's review report on JHL's standalone financial statements as at and for the six months ended September 30, 2023, included the following:

"**Basis for Qualified Conclusion:**

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

In Our Opinion, for the year ended 30 September 2023, the Company is not meeting with the regulatory minimum CAR on a consolidated basis. Capital adequacy computed on a consolidated basis as on 30 September 2023, is 2.16%, which is below the regulatory minimum of 15%. The consequential impact of such non-compliances on the Standalone Financial Statements is presently unascertainable.

(ii) The terms and conditions of the Certificate of registration issued to the Company by the RBI vide letter no. N-02.00275 dated 27 January 2017, requires 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 Company as on 30 September 2023, is in a Deficit of Rs.197,435 Lakhs, which is below the regulatory minimum of Rs. 200 Lakhs. The consequential impact of such non-compliance on the Standalone Financial Statements is presently unascertainable. (Refer note 35 to the audited Standalone Financial Statements).

(iii) As per RBI guidelines, the NOFHC may have a Leverage of up to 1.25 times, of its Paid up Equity Share Capital and Free Reserves. For the year ended 30 September 2023, the Company had a Leverage Ratio of 8.48 times which is above the regulatory threshold of 1.25 times as stated on a Standalone basis. In Our Opinion the consequential impact of such non-compliances on the Standalone Financial Statements is presently unascertainable. (Refer Note 36 to the Audited Standalone Financial Statements)."

The audit report on JHL's standalone financial statements as at and for the year ended March 31, 2023, included the following:

"**Basis for Qualified Opinion**

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

In Our Opinion, for the year ended 31 March 2023, the Company is not meeting with the regulatory minimum CAR on a consolidated basis. Capital adequacy computed on a consolidated basis as on 31 March). 2023, is in negative data of 4.17% (minus 4.17%), which is below the regulatory minimum of 15%. The consequential impact of such non-compliances on the Standalone Financial Statements is presently unascertainable. (Refer Note 34 to the Audited Standalone Financial Statements).

(ii) The terms and conditions of the Certificate of registration issued to the Company by the RBI vide letter no. N-02.00275 dated 27 January 2017, requires 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 Company as on 31 March 2023, is in a

Deficit of Rs.225,469.55 Lakhs, which is below the regulatory minimum of Rs. 200 Lakhs. The consequential impact of such non-compliance on the Standalone Financial Statements is presently unascertainable. (Refer note 35 to the audited Standalone Financial Statements).

(iii) As per RBI guidelines, the NOFHC may have a Leverage of up to 1.25 times, of its Paid up Equity Share Capital and Free Reserves. For the year ended 31 March 2023, the Company had a Leverage Ratio of Negative of 105.52 times which is above the regulatory threshold of 1.25 times as stated on a Standalone basis. In Our Opinion the consequential impact of such non-compliances on the Standalone Financial Statements is presently unascertainable. (Refer Note 36 to the Audited Standalone Financial Statements)."

"**Material Uncertainty Related to Going Concern**

We draw attention to Note 37 in the Standalone Financial Statements, which indicates that the Company incurred a net loss of INR 332.51 crores during the year ended 31 March 2023 and has accumulated losses amounting to INR 1476.50 crores, as of that date, which is completely eroded its Net Worth and resulted in negative. Further the Company has fixed term borrowings approaching maturity with prospects of repayment currently being evaluated by the management. Further, the Company is in breach of certain regulatory financial parameters as of 31 March 2023 as stated here in above, in the Basis of Qualified Opinion section. These conditions indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, the Company during the year raised additional funds to repay the matured debentures and the balance funds are invested in the equity shares of the Associate. Accordingly, the Standalone Financial Statements have been prepared under going concern assumption.

Our opinion is not modified in respect of this matter."

The audit report on JHL's standalone financial statements as at and for the year ended March 31, 2022, included the following:

"**<u>Basis for Qualified Opinion</u>**

(i) The Company is a Non-Operating Financial Holding Company ('NOFHC') of Jana Small Finance Bank Limited ('JSFB' or 'the Bank', An Associate Company herein after called as "The Associate"). As per RBI guidelines, the Company shall maintain minimum Capital Adequacy Ratio ('CAR') at a consolidated level based on the prudential guidelines on Capital Adequacy and market Discipline New Capital Adequacy Framework (NCAF) issued under Basel II framework and Guidelines on Implementation of Basel III Capital Regulations of India, when implemented. In the Our regulatory Opinion, for the year ended 31 March 2022, the Company is not meeting with the regulatory minimum CAR on a consolidated basis. Capital adequacy computed on a consolidated basis as on 31 March 2022, is in negative data of 7.96% (minus 7.96%), which is below the regulatory minimum of 15%. The consequential impact of such non-compliances on the Standalone Financial Statements is presently unascertainable. (Refer Note 34 to the Audited Standalone Financial Statements).

(ii) The terms and conditions of the Certificate of registration issued to the Company by the RBI vide letter no. N-02.00275 dated 27 January 2017, requires 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 Company as on 31 March 2022, is in a Deficit of Rs.187,357 Lakhs, which is below the regulatory minimum of Rs. 200 Lakhs. The consequential impact of such non-compliance on the Standalone Financial Statements is presently unascertainable. (Refer note 35 to the audited Standalone Financial Statements).

(iii) As per RBI guidelines, the NOFHC may have a Leverage of up to 1.25 times, of its Paid up Equity Share Capital and Free Reserves. For the year ended 31 March 2022, the Company had a Leverage Ratio of 8.04 times which is above the regulatory threshold of 1.25 times as stated on a Standalone basis. In Our Opinion the consequential impact of such non-compliances on the Standalone Financial Statements is presently unascertainable. (Refer Note 36 to the Audited Standalone Financial Statements)."

"**Material Uncertainty Related to Going Concern**

The Company incurred a net loss of INR 243.33 crores during the year ended 31 March 2022 and has accumulated losses amounting to INR 1143.98 crores, as of that date, which has substantially eroded its Net Worth and further the Company has fixed term borrowings approaching maturity with prospects of repayment currently being evaluated by the management. Further, the Company is in breach of certain regulatory financial parameters as of 31 March 2022 as stated here in above, in the Basis of Qualified Opinion section. These conditions indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, the Company during the year raised additional funds to repay the matured debentures and the balance funds are invested· in the equity shares of the Associate. Accordingly, the Standalone Financial Statements have been prepared under going concern assumption.

Our opinion is not modified in respect of this matter."

The audit report on JHL's standalone financial statements as at and for the year ended March 31, 2021, included the following:

"**<u>Basis for Qualified Opinion</u>**

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

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

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

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

"**Material Uncertainty Related to Going Concern**

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

Our opinion is not modified in respect of this matter."

The auditor's review report on JCL's standalone financial statements as at and for the six months ended September 30, 2023, included the following:

"**Basis of Qualified Conclusion**:

Referring to the note No. 4 (I) of the financial statements, the Company is a Non-Banking Financial Institution -Non-Deposit taking -Systemically Important Core Investment Company as on September 30,2023 the Company has net worth of Rs 18,71,017.89 thousands.

a) The Adjusted Net Worth of the Company is 17.42% of its aggregate risk weighted assets which is less than the limit of minimum 30% specified as per Section II of Master Direction DoR (NBFC). PD.003/03.10.119/2016-17 ("The Directions") dated August 25, 2016 and subsequently updated as at August 29, 2023; and

b) The outside liabilities of the Company as on September 30th 2023 is 4.75 times of its adjusted Net worth which is more than the limit of 2.5 times specified in the Directions "

The audit report on JCL's standalone financial statements as at and for the year ended March 31, 2023, included the following:

"**Basis for Qualified Opinion**

Referring to the note No. 34 (I) of the standalone financial statements, the Company is a Non-Banking Financial Institution -Non-Deposit taking -Systemically Important Core Investment Company. As on March 31, 2023, the adjusted net worth is(-) 558,829.60 % of its aggregate risk weighted assets which is less than the limit specified as per Section II of Master Direction DoR (NBFC). PD.003/03.10.119/2016-17 ("The Directions") dated August 25, 2016, and the outside liabilities of the Company as on March 31, 2023, is (-) 1 times of its adjusted Net worth which has not met the limit specified in the Directions"

"**Material Uncertainty Related to Going Concern**

We draw attention to Note 30 of the standalone financial statements, which indicates that the Company incurred a net loss of Rs. 35,70,293.56 thousand during the year ended March 31, 2023, and has accumulated losses amounting to Rs. 34,13,535.92 thousand, as of that date, which has eroded its net worth. These conditions indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, the Company is in the process of raising additional funds as necessary to operate as a going concern. Accordingly, the standalone financial statements have been prepared under the going concern assumption.

Our opinion is not modified in respect of this matter."

The audit report on JCL's standalone financial statements as at and for the year ended March 31, 2022, included the following:

"**Basis for Qualified Opinion**

Referring to the note No. 34 (l) of the standalone financial statements, the Company is a Non-Banking Financial Institution - Non-Deposit taking• Systemically Important Core Investment Company. As on March 31, 2022 the adjusted net worth is 7.78% of its aggregate risk weighted assets which is less the limit specified as per Section II of Master Direction DoR (NBFC). PD.003/03.10.119/2016-17 ("The Directions") dated August 25, 2016 and the outside liabilities of the Company as on March 31, 2022 is 11.85 times of its adjusted Net worth which is more than the limit specified in the Directions."

"**Material Uncertainty Related to Going Concern**

We draw attention to Note 30 of the standalone financial statements, which indicates that the Company incurred a net loss of Rs. 27,48,485.74 thousands during the year ended March 31, 2022 and has accumulated losses amounting to Rs. 1,21,06,885.42 thousands, as of that date, which has eroded substantial portion of its net worth. These conditions indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, as stated in the note, the Company is in the process of raising additional funds as necessary to operate as a going concern. Accordingly, the standalone financial statements have been prepared under going concern assumption.

Our opinion is not modified in respect of this matter."

The audit report on JCL's standalone financial statements as at and for the year ended March 31, 2021, included the following:

"**Material Uncertainty Related to Going Concern**

We draw attention to Note 28 in the standalone financial statements, which indicates that the Company incurred a net loss of INR 260 crores during the year ended 31 March 2021, and has accumulated losses amounting to INR 936 crores, as of that date, which has substantially eroded its net worth. These conditions indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern. However, as stated in the note, the Company is in the process of raising additional funds as necessary to operate as a going concern.

Accordingly, the financial statements have been prepared under going concern assumption.

Our opinion is not modified in respect of this matter."

JCL and JHL have issued non-convertible debentures in order to purchase Equity Shares (indirectly through JHL in the case of JCL) or re-finance their existing non-convertible debentures. The table below sets forth the amount paid by JHL for the purchase of Equity Shares in the years indicated and such amount as a percentage of the total amount paid by all parties for the purchase of Equity Shares and Preference Shares in the Fiscals indicated.

Particulars	Year ended March 31,		
	2023	2022	2021
	(₹ in millions, except percentages)		
Amount paid by JHL for the purchase of Equity Shares [A]	1,000.00	660.00	-
Amount paid by JHL for the purchase of Equity Shares as a percentage of the total amount paid by all parties for the purchase of Equity Shares and Preference Shares [B = A/E] (%)	29.69%	100.00%	-
Total amount paid by all parties for the purchase of Equity Shares [C]	2,167.73	660.00	-
Total amount paid by all parties for the purchase of Preference Shares [D]	1,200.00	0.00	-
Total amount paid by all parties for the purchase of Equity Shares and Preference Shares [E = C+ D]	3,367.73	660.00	-

Any future losses incurred by JCL or JHL could limit their ability to infuse any further required capital into our Bank and if we are unable obtain such capital from other sources, it could adversely affect our business, financial condition, results of operations and cash flows.

In addition, see "- *2. We are subject to stringent regulatory requirements and prudential norms. In addition, some of these regulatory requirements and prudential norms are more onerous for Small Finance Banks compared to other banks. We have not been able to comply with certain provisions of the SFB Licensing Guidelines and the RBI Final Approval. As a result, the RBI may take regulatory action against us, which could include imposition of monetary penalties, revocation of the RBI Final Approval or such other penal actions and restrictions deemed fit by the RBI, the imposition of any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.*" on page 39.

55. *Our Promoters will continue to exercise significant influence over our Bank after the completion of the Offer.*

As at the date of this Prospectus, our Promoters hold 25.20% of the issued, subscribed and paid-up equity share capital of our Bank, on a fully diluted basis. Following the Offer, our Promoters will hold 22.52% of our Post-Offer paid-up equity share capital on a fully diluted basis. As per applicable law, (i.e. Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023, read along with Reserve Bank of India's Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies dated January 16, 2023), during the period prior to completion of fifteen years from the commencement of banking company, our Promoters may be allowed to hold a higher percentage of shareholding, i.e. at least 40% total shareholding as initial contribution which shall be gradually brought down to 26% of the total shareholding, in accordance with Reserve Bank of India's Guidelines for Licensing of Small Finance Banks in the Private Sector dated November 27, 2014. Thereafter, our Promoters' voting rights in our Bank shall be capped to 26% of the total voting rights of our Bank (i.e., the maximum voting rights permitted to be exercised by a promoter in a banking company after completion of fifteen years from commencement of business of banking company). As long as our Promoters continue to hold a significant ownership stake in us, our Promoters have the ability to significantly influence the outcome of any matter submitted to Shareholders for approval, including the appointment of Directors and matters relating to sale of all or part of our business, mergers, or acquisitions and changes to our capital structure or financing. The trading price of the Equity Shares could be adversely affected if potential investors are disinclined to invest in us because they perceive there to be disadvantages in our Promoters holding a large percentage of the Equity Shares.

56. ***Our Promoters, JCL and JHL, are regulated entities, subject to inspections by the RBI. Non-compliance with the observations of such regulators could adversely affect our business, financial condition, results of operations and cash flows.***

Our Promoters, JCL and JHL, have been non-compliant with the below-mentioned regulatory requirements since the financial year 2020 and JHL has engaged with the RBI with suitable action plans. However, during the recent RBI inspection, the RBI has, pursuant to its letter dated May 29, 2023 to one of our Promoters, JCL, communicated supervisory concerns pursuant to the select scope inspection carried out for Fiscal 2022 under Section 45N of the RBI Act, 1934, including, among other things, the following: (a) requiring JCL to maintain the capital ratio and leverage ratio as per regulatory guidelines; (b) directing JCL to chalk out a plan to meet the obligation arising out of maturing debentures; (c) requiring JCL to urgently address the erosion of net worth to maintain its 'going concern' nature; (d) addressing the viability of JCL's present building model to arrive at a suitable action plan; (e) mitigating the business risk due to the delay in the merger plan of its subsidiary (i.e., JHL); (f) making relevant contingent liability disclosures specifically in the context of debentures; (g) constituting a group risk management committee under the RBI directions; (h) revising and evaluation of various components of liquidity risk management process by an independent party; (i) reviewing policies of the company; and (j) submitting a policy note on treatment of investment portfolio by RBI.

Additionally, the RBI has, pursuant to its letter dated May 29, 2023 to one of our Promoters, JHL, communicated the following supervisory concerns pursuant to the select scope inspection carried out for Fiscal 2022 under Section 45N of the RBI Act, 1934: (a) requiring JHL to maintain the capital adequacy ratio at consolidated level; (b) adhering to prescribed net owned funds requirement; (c) ensuring the leverage ratio on a standalone basis to be within the regulatory threshold; (d) formulating an action plan to recover incurring losses in consecutive years; (e) addressing the material uncertainty on the going concern attribute of JHL; and (f) making relevant contingent liability disclosures specifically in the context of debentures.

Our Promoters have responded to these observations with our compliances along with updated financial information or metrics, wherever applicable, and are in the process of implementing the observations.

We cannot assure you that the RBI will not require our Promoters to take further actions to comply with their observations or that RBI will not make similar or other observations in the future. In the event our Promoters are unable to comply with the observations made by the RBI, our Promoters could be subject to sanctions (such as restrictions being applied on our carrying out of certain business activities or our ability to obtain the regulatory permits and approvals required to expand our business) and/or penalties imposed by the RBI. The imposition of any sanction or penalty or issue of adverse findings by the RBI during the ongoing or any future inspections may have an adverse effect on our reputation, business and financial condition.

57. ***Our Promoters have not been able to comply with certain provisions of the certain RBI directions that they are subject to. If our Promoters are unable to comply with such regulations and norms in the future, it may have an adverse effect on the business, financial condition, results of operations and cash flows of our Promoters and consequently our Bank.***

Our Promoters are NBFCs that are subject to stringent regulatory requirements administered by the RBI. The table below sets forth the regulatory requirements required to be adhered to by our Promoters along with the actual figures as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	Regulatory Requirement	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
JHL					
CAR (%)	15	2.16%	(4.17%)	(7.96%)	(5.20%)
Net owned fund (₹ in millions)	20.00	(19,743.59)	(22,546.95)	(18,735.72)	(15,026.20)

Particulars	Regulatory Requirement	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
JHL					
Leverage ratio (%)	1.25	8.48	(105.52)	8.04	3.24
JCL					
Adjusted net worth as a percentage of risk weighted assets (%)	30	17.42	(558,829.60)	7.78	61.15
Outside liabilities as against the adjusted net worth (times)	2.5	4.75	(1.00)	11.85	0.63

Further, our Promoter, JCL is in breach of the limits prescribed under the Master Direction DoR (NBFC) PD.003/03.10.119/2016-17 dated August 25, 2016 ("**Directions**") for adjusted net worth. Additionally, the outside liabilities of JCL as at September 30, 2023 was 4.75 times of its adjusted net worth, in breach of the Directions.

The statutory auditors of JHL and JCL have included certain qualifications pertaining to the going concern nature of our Promoters, on account of losses incurred by them amounting to ₹3,325.10 million and ₹3,570.29 million for the financial year ended March 31, 2023, ₹2,433.32 million and ₹2,748.49 million for the financial year ended March 31, 2022, and ₹2,326.81 million and ₹2,600.65 million for the financial year ended March 31, 2021, respectively. Please see "*– 53. Our Promoters, JCL and JHL, have incurred a loss after tax in the half year ended September 30, 2022 and the past three Fiscals. In addition, JHL incurred a loss after tax in the half year ended September 30, 2023. If JCL or JHL incur losses in the future, it could limit their ability to infuse any further required capital into our Bank and if we are unable obtain such capital from other sources, it could adversely affect our business, financial condition, results of operations and cash flows*" on page 93.

If our Promoters are unable to comply with such regulations and norms in the future, the RBI may impose sanctions or penalties on our Promoters, which may have an adverse effect on the business, financial condition, results of operations and cash flows of our Promoters and, consequently, our Bank.

Other Risks

58. ***Banking companies in India, including us, may be required to report financial statements as per Ind AS in the future. Differences exist between Ind AS and Indian GAAP. In the future, if we are required to prepare our financial statements in accordance with Ind AS, there is a possibility that our financial condition, results of operations and cash flows could be worse than if we prepared our financial statements in accordance with Indian GAAP.***

We currently prepare our financial statements under Indian GAAP. However, the Ministry of Corporate Affairs, in its press release dated January 18, 2016, issued a roadmap for the implementation of Ind AS for Scheduled Commercial Banks, insurance companies and NBFCs, which is also applicable to our Bank. Such roadmap provided that these institutions were required to prepare Ind AS financial statements for accounting periods commencing April 1, 2018 (including comparative financial statements for the corresponding periods in the previous year). The RBI, by its circular dated February 11, 2016, required all Scheduled Commercial Banks to comply with Ind AS for financial statements commencing April 1, 2018 and also required such entities to prepare and submit proforma Ind AS financial statements to the RBI since the half year ended September 30, 2016. We have been required to submit such proforma Ind AS financial statements since we became a Scheduled Commercial Bank on July 16, 2019. However, the RBI, through its notification dated March 22, 2019, decided to defer the implementation of Ind AS until further notice for all Scheduled Commercial Banks (except regional rural banks). Under applicable regulations, Scheduled Commercial Banks, including our Bank, cannot adopt Ind AS financial statements until permitted by the RBI. Accordingly, we continue to prepare and present our financial statements under Indian GAAP, while still submitting proforma Ind AS financial statements to the RBI. Since April 1, 2020, there have been no rectifications in our Bank's financial statements. The Bank has undertaken preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-à-vis Ind AS to ensure the compliance as per applicable requirement and directions of the RBI in this regard.

Each of our Promoters is required to prepare its financial statements in accordance with Ind AS. Accordingly, we are also required to prepare financial statements in accordance with Ind AS for the limited purpose of inclusion in our Promoters' consolidated financial statements. There is no significant difference between our Bank's business operations and that of our Promoters. Consequently, our Bank's Ind AS financial information is available to the extent that it can be derived from or is reflected in the consolidated Ind AS financial information of our Promoters. Potential investors are cautioned against placing reliance on such Ind AS financial information relating to our Bank and should rely solely on our Restated Financial Statements included in the Red Herring Prospectus for an assessment of our financial condition, results of operations and cash flows and for making any investment decision. There have been no rectifications in the Restated Financial Statements in relation to any of the foregoing.

Ind AS is different in many respects from Indian GAAP. If the RBI decides to implement the adoption of Ind AS for Scheduled Commercial Banks, there can be no assurance that the transition to Ind AS would not further increase our provisioning requirements in the future. Further, we may encounter difficulties in the process of implementing and enhancing our management information systems for the adoption of Ind AS. Our management may also have to divert significant time and additional resources in order to implement Ind AS on a timely and successful basis. Therefore, our transition to Ind AS reporting could have an adverse effect on our business, results of operations and cash flows. Furthermore, if we are required to prepare our financial statements in accordance with Ind AS, there is a possibility that our financial condition, results of operations and cash flows could be worse than if we prepared our financial statements in accordance with Indian GAAP.

The RBI issued a circular on September 12, 2023 on "Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023" pursuant to which certain Ind-AS guidelines, such as fair valuation, initial recognition and subsequent measurement, will become effective for banks from April 1, 2024. We expect the implementation of these Ind-AS guidelines will have the following material effects on our Bank's financial statements:

- **Classification norms**: The directions introduce new criteria for classifying investments held by banks and also provide guidelines for categorising various types of investments. e.g., the introduction of a category for Fair Value Through P&L (FVTPL) and Held for Trading (HFT) shall be a separate investment sub-category within FVTPL and the ceiling criteria for holding HFT investments for a 90-day period is removed. There will be separate classification norms for subsidiaries, joint ventures, and associates.

- **Valuation guidelines**: The RBI has included fair valuation requirements along with accounting treatment for gain/loss ensuring that investment portfolios are assessed accurately, reflecting their current market values. All investments shall be measured at fair value on initial recognition. Fair value measurement of investments is based on a hierarchy of level 1, level 2, and level 3 inputs.

- **Accounting guidelines**: The RBI has incorporated comprehensive guidelines for accounting treatment across various scenarios, encompassing various aspects, including initial recognition, subsequent measurement, and re-classification. These guidelines have been introduced to address ambiguities and bring uniformity throughout the banking industry. For example, where the securities are quoted or the fair value can be determined based on market observable inputs any day 1 gain/loss shall be recognised in the profit and loss account but any day 1 gains arising from level 3 investments shall be deferred and any day 1 loss arising from level 3 investments shall be recognised immediately.

- **Reporting requirements**: The RBI has introduced extensive reporting requirements, enabling better oversight and monitoring of commercial banks' investment activities. This aims to improve regulatory 79 compliance and transparency. For example, the introduction of new disclosure requirements based on the inclusion of disclosure of fair value by category, fair value by a hierarchy of valuation basis (levels 1,2 and 3), and carrying value of investments.

- **Regulatory supervision**: The RBI has introduced additional supervision on the investment portfolio of a bank and a bank's compliance with these directions. For example, the implementation of these directions shall be reviewed under the supervisory process and any non-compliance in this regard shall be dealt with appropriately by the RBI. Banks shall not reclassify investments between categories without the approval of their board of directors and prior approval of the Department of Supervision (DoS), RBI.

The RBI released the Discussion Paper on Introduction of Expected Credit Loss (ECL) Framework for Provisioning by Banks on January 16, 2023. As per the discussion paper, banks would be allowed to design and implement their own models for measuring expected credit losses for the purpose of estimating loss provisions in line with the proposed principles. The discussion paper further states that the RBI will be issuing broad guidance that will be required to be considered while designing the risk models to be used by the banks. The guidance is expected to provide detailed requirements, drawing on the guidance provided in IFRS 9 and principles laid out by Basel Committee of Banking Supervision. The provisions as per the banks' internal assessments shall be subject to a prudential floor, to be specified by the RBI based on comprehensive data analysis. In order to enable a seamless transition, as permitted under the Basel guidelines, banks shall be provided an option to phase out the effect of increased provisions on Common Equity Tier I capital, over a maximum period of five years. The RBI has yet to issue final guidelines on the above referenced framework. There is a possibility that our financial condition and results of operations could be worse if we measured expected credit losses for the purpose of estimating loss provisions in line with the proposed principles than if we prepared our financial statements in accordance with current Indian GAAP.

59. ***We depend on our brand recognition. Negative publicity about our brand, third parties who use the "Jana" brand, including Jana Capital Limited, Jana Urban Foundation and Jana Urban Services Foundation, and third parties whose products we distribute could adversely affect our reputation and, in turn, our business, financial condition, results of operation and cash flows.***

We have invested in promoting the "Jana" brand for our Bank, and we expect to continue to invest in increasing our brand awareness. With the market becoming increasingly competitive, we believe that maintaining and enhancing our brand will become more important for our business. Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. If we experience any negative publicity, it could adversely affect our brand and ability to attract and retain customers. In addition, the brand "Jana" is used by other entities, including Jana Capital Limited, Jana Urban Foundation and Jana Urban Services Foundation. We have no control over the operations of these entities and in case any of these entities do something that adversely affects their reputation it could have an adverse impact on our reputation, and, in turn, on our business, financial condition, results of operations and cash flows.

Furthermore, we distribute several third-party products, including life insurance and general insurance. We have no control over the actions of such third parties. Any regulatory action taken against such third parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our reputation.

60. ***We may breach third-party intellectual property rights.***

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights, which may force us to alter our technologies, obtain licenses or cease some of our operations. We may be subject to claims by third parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, designs, software or other such rights that are of a similar nature to the intellectual property these third parties may have registered or are using. We might also be in breach of such third-party intellectual property rights due to accidental or purposeful actions by our employees where we may also be subjected to claims by such third parties.

Any legal proceedings that result in a finding that we have breached third parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third parties or stop using the relevant intellectual property (including by way of temporary or permanent injunction) or make changes to our marketing strategies or to the brand names of our products, any of which may have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

61. ***Although none of our employees are in a union, we may face labour disruptions that could interfere with our operations and have an adverse impact on our business, financial condition, results of operations and cash flows.***

As at September 30, 2023, we had 20,355 permanent employees. Although none of our employees are in a union, we are exposed to the risk of labour disruptions. While our relations have been good with our employees (as evidenced by there being no labour disruptions since April 1, 2020), we cannot guarantee that our employees will not participate in work stoppages or other industrial actions in the future. Any such event could disrupt our operations, possibly for a significant period of time, and result in increased wages and other benefits, which could have an adverse effect on our business, financial condition, results of operations and cash flows. Additionally, our Bank is involved in certain legal proceedings with its employees, which are primarily in relation to termination and determination of remuneration of the concerned employees.

62. ***Our Promoters, Promoters Group and certain of our Directors, Key Managerial Personnel and Senior Management Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters, Promoter Group and certain of our Directors, Key Managerial Personnel and Senior Management Personnel may be regarded as having an interest in our Bank other than reimbursement of expenses incurred and normal remuneration or benefits. In particular, our Bank and JUF have entered into the Trademark Agreement. For more details, see “- *46. If we fail to successfully enforce our intellectual property rights or the agreement pursuant to which we have the non-exclusive license to use the trademarks “ ” and “JANA” is terminated, our business, results of operations and cash flows would be adversely affected”* on page 86.

Our Promoters and certain of our Directors, Key Managerial Personnel and Senior Management Personnel may be deemed to be interested to the extent of Equity Shares held by them as well as to the extent of any dividends, bonuses, or other distributions on such Equity Shares. Further, our Directors (excluding our Independent Directors), Key Managerial Personnel and Senior Management Personnel are also entitled to participate in ESOP 2017 and ESOP 2018, and are interested in our Bank to the extent of employee stock options and restricted stock units held by them and the Equity Shares arising out of the exercise of such employee stock options. We cannot assure you that our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel will exercise their rights as Shareholders to the benefit and best interest of our Bank. For further details, see “*Capital Structure*”, “*Our Management – Interests of Directors*” and “*Our Promoters and Promoters Group – Interests of our Promoters’* on pages 130, 350 and 368, respectively.

63. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with our Shareholders.***

We have entered into various transactions with related parties, including for payment of salaries and wages of key management persons, royalty payments, payment of interest on deposits, rendered professional services and issue of Equity Shares, all of which have been approved by the Board. The table below sets forth our related party transactions (except for deposits and the issuance of Equity Shares) and as a percentage of our total income in the periods and years indicated.

Particulars	For the half year ended				Year ended March 31,					
	September 30, 2023		September 30, 2022		2023		2022		2021	
	Amount (₹ in millions)	% of total income	Amount (₹ in millions)	% of total income	Amount (₹ in millions)	% of total income	Amount (₹ in millions)	% of total income	Amount (₹ in millions)	% of total income
Related party transactions[(1)]	101.44	0.46	78.85	0.46	183.33	0.50	128.57	0.42	133.65	0.49
Total income	22,155.68	100.00	16,896.17	100.00	36,998.75	100.00	30,623.65	100.00	27,207.41	100.00

Note:

(1) Excludes deposits and issuances of Equity Shares.

The table below sets forth details of related party transactions with respect to deposits and Equity Shares as at and for the periods and years indicated.

Particulars	For the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
	(₹ in millions)				
Deposits of related parties – transaction value for the period/year	139.56	109.96	109.21	112.82	116.78
Deposits of related parties –	15,441.62	1,403.22	111.65	115.54	119.17

Particulars	For the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
	(₹ in millions)				
outstanding at period/year end					
Equity Shares issued to related parties – transaction value for the period/year	-	1,000.00	1,000.00	660.00	-
Equity Shares issued to related parties – outstanding at period/year end	24,901.68	24,901.68	24,901.68	23,901.68	23,241.68

For a more detailed summary of the related party transactions entered into by our Bank for the half years ended September 30, 2023 and September 30, 2022 and Fiscals 2023, 2022 and 2021, see "*Offer Document Summary – Summary of related party transactions*" on page 22. For further details, see "*Other Financial Information – Related Party Transactions*" on page 462.

While we believe that all such transactions have been conducted on an arm's length basis in compliance with the Companies Act, 2013 and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. Although going forward, all related party transactions that we may enter into will be subject to Board or Shareholder approval as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of public Shareholders and will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

64. ***Any future hedging strategies may not be successful in preventing losses.***

We currently do not have a hedging policy in place. In the future, we may utilise a variety of financial instruments, such as derivatives, interest rate swaps, futures and forward contracts, to seek to hedge against any declines in our assets as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events. As of September 30, 2023, we did not have any exposure to foreign currency. Should we face such exposure in future, we may be required to hedge the exposure. Hedging transactions may also limit the opportunity for gain if the value of the hedged positions should increase. It may not be possible for us to hedge against a change or event at a price sufficient to fully protect our assets from the decline in value of the positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all. While we may enter into such transactions to seek to reduce foreign currency exchange rate and interest rate risks, or the risks posed by the occurrence of certain other events, unanticipated changes in currency or interest rates or the non-occurrence of other events being hedged may result in our poorer overall performance than if we had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the position being hedged may vary. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the positions being hedged. Such imperfect correlation may prevent us from achieving the intended hedge or expose us to additional risk of loss.

65. ***We have included certain Non-GAAP Financial Measures and certain other selected statistical information related to our business, financial condition, results of operation and cash flows in this Prospectus. These Non-GAAP Financial Measures and statistical information may vary from any standard methodology that is applicable across***

the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.

Certain Non-GAAP Financial Measures (such as collection efficiencies on a monthly basis) and certain other statistical information relating to our business, financial condition, results of operation and cash flows have been included in this section and elsewhere in this Prospectus. For information on the non-GAAP financial measures, see "*Selected Statistical Information – Certain Non-GAAP Financial Measures*" on page 463. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These Non-GAAP Financial Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

EXTERNAL RISKS

66. ***Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows. The Indian economy could be adversely affected by various factors, such as the adverse effects of a new variant of COVID-19 or other pandemics, epidemics, political and regulatory changes, including adverse changes in the Government's liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, volatility in interest rates, volatility in commodity and energy prices, a loss of investor confidence in other emerging market economies and any worldwide financial instability. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, financial condition, results of operations and cash flows.

Also see "*– 51. COVID-19 has had and could continue to have an adverse effect on our business, financial condition, results of operations and cash flows*" on page 90.

67. ***The occurrence of natural disasters and man-made disasters could adversely affect our business, financial condition results of operations and cash flows. In addition, terrorist attacks and other acts of violence or war as well as civil unrest or rioting in India could create a perception that investment in Indian companies involves a higher degree of risk, thereby adversely affecting the market price of the Equity Shares.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, fires, explosions, pandemics (such as COVID-19) and epidemics, and man-made disasters, including acts of terrorism, other acts of violence and war, could adversely affect our business, financial condition, results of operations and cash flows. In addition, terrorist attacks and other acts of violence or war as well as civil unrest or rioting in India could create a perception that investment in Indian companies involves a higher degree of risk, thereby adversely affecting the market price of the Equity Shares.

68. ***Changing laws, rules and regulations and legal uncertainties, including any adverse application of tax laws and regulations across the multiple states we operate in, could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our business and financial condition could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our general and microfinance businesses, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations.

The governmental and regulatory bodies may notify new regulations and/ or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, impose onerous requirements and conditions on our operations, in addition to those that we are undertaking currently, or change the manner in which we conduct KYC or authenticate our customers. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations, including foreign investment laws governing our business, operations and investments in our Bank by non-residents, could result in us being deemed to be in contravention of such laws and/ or may require us to apply for additional approvals.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges that are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If the tax costs associated with certain transactions because of a particular tax risk materializing are greater than anticipated, it could affect the profitability of such transactions.

The Government introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations, which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees, which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements (including online and digital platforms), such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. The Social Security Code also provides that such schemes may, among other things, be partly funded by contributions from online platforms. Further, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws have the ability to increase our employee and labour costs, thereby adversely affecting our results of operations and cash flows.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Bank by non-residents, could result in us being deemed to be in contravention of such laws and/ or may require us to apply for additional approvals.

We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time-consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

69. ***Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative effect on our business, financial condition, results of operations and cash flows and the trading price of the Equity Shares could decrease.***

As an Indian Small Finance Bank, we are exposed to the risks of the Indian financial system, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions, such as clearing agencies, banks, securities firms and exchanges, may be closely related as a result of credit, trading, clearing or other relationships. Our transactions with these financial institutions expose us to credit risk in the event of default by the counterparty, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in, or difficulties faced by, the Indian financial system generally could create adverse market perception about Indian financial institutions and banks in general and specific categories of financial institutions. This in turn could adversely affect our business, financial condition, results of operations, cash flows and the trading price of the Equity Shares.

70. ***Our ability to borrow in foreign currencies is restricted by Indian law.***

Indian banks and companies are subject to foreign exchange regulations that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our ability to borrow in foreign currencies and, therefore, could negatively affect our ability to obtain financing on competitive terms. In addition, we cannot assure you that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, or at all. Such, and other, limitations on raising foreign capital may adversely affect our business results of operations, financial condition and cash flows.

71. ***A third party could be prevented from acquiring control over our Bank because of anti-takeover provisions under Indian law and the provisions of the Banking Regulation Act.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Bank. These provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Bank. Further, given that our Bank is governed by the RBI, any significant change in shareholding would require the RBI’s prior approval. Consequently, even if a potential takeover of our Bank would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the regulatory framework applicable to us.

72. ***A downgrade in India’s sovereign debt rating by international rating agencies may adversely affect our debt ratings and the terms on which we are able to raise additional borrowings or refinance any existing borrowings.***

India’s sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, all of which are outside our control. Any adverse changes to India’s sovereign debt rating by international rating agencies may adversely affect our debt ratings and the terms on which we are able to raise additional borrowings or refinance any existing borrowings, which may have an adverse effect on our business, financial condition, results of operations and cash flows.

73. ***Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows.***

The Restated Financial Statements have been compiled by the management from our Bank’s audited financial statements as at and for the half years ended September 30, 2023 and September 30, 2022, and as at and for the years ended March 31, 2023, 2022 and 2021. The abovementioned audited financial statements have been prepared in accordance with the requirements prescribed under the Banking Regulation Act. The accounting and reporting policies used in the preparation of these financial statements conform in all material aspects with Indian GAAP, the circulars and guidelines issued by the RBI from time to time and the Accounting Standards prescribed under Section 133 of the Companies Act (as amended), read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules 2016 to the extent applicable and other relevant provisions of the Companies Act and current practices prevailing within the banking industry in India. The Restated Financial Statements have been prepared in accordance with the requirements of section 26 of Part 1 of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019). Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors outside India may be familiar. If the Restated Financial Statements were to be prepared in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. Prospective investors should review the accounting policies applied in the preparation of the Restated Financial Statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons unfamiliar with Indian GAAP on the financial information presented in this Prospectus should accordingly be limited.

74. ***It may not be possible for investors to enforce any judgment obtained outside India against us, the Directors or the Key Managerial Personnel in India respectively, except by way of a lawsuit in India on such judgment.***

Our Bank is incorporated under the laws of India, all of our assets are located in India and the majority of our Directors and all Key Managerial Personnel are residents of India, Therefore, you may be unable to effect service of process in jurisdictions outside India upon our Bank or enforce judgments in Indian courts that were obtained in courts of jurisdictions outside India against our Bank, including judgments predicated upon the civil liability provisions of securities laws of jurisdictions outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908 ("**Civil Code**") on a statutory basis. Section 44A of the Civil Code provides that a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

The following territories have been declared by the Government to be reciprocating territories for purposes of Section 44A of the Civil Code: United Kingdom; the UAE; Singapore; Hong Kong; Bangladesh; Malaysia; Trinidad & Tobago; New Zealand; the Cook Islands (including Niue) and the Trust Territories of Western Samoa; Papua New Guinea; Fiji; and Aden. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment against Indian companies, entities, their directors and executive officers and any other parties who are residents of India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

RISKS RELATING TO THE EQUITY SHARES AND THE OFFER

75. ***Statistical and industry data in this Prospectus are derived from the Fitch Report, which was commissioned and paid for by us for the purpose of the Offer. Reliance on information from the Fitch Report for making an investment decision in the Offer is subject to inherent risks.***

This Prospectus includes information that is derived from the Fitch Report, which was prepared by Fitch Solutions and commissioned and paid for by us for the purpose of the Offer pursuant to an engagement letter dated June 19, 2023 and an addendum dated November 16, 2023. Fitch Solutions is not in any manner related to our Bank, our Directors or our Promoters. A copy of the Fitch Report was available on our Bank's website at https://www.janabank.com/about-us/disclosures/#industry-report from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

The Fitch Report is subject to various limitations and based upon certain assumptions that are subjective in nature. The Fitch Report contains estimates, projections and forecasts as well as forward looking statements that may prove to be incorrect. The Fitch Report is not a recommendation to buy or sell securities in any company covered in the Fitch Report. Accordingly, prospective investors should not place undue reliance on or base their investment decision solely on information derived from the Fitch Report.

76. ***The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchanges. Investors bear the risk of fluctuations in the price of Equity Shares and there can be no assurance that a liquid***

market for the Equity Shares will develop following the listing of the Equity Shares on the Stock Exchanges.

There has been no public market for the Equity Shares prior to the Offer. The determination of the Price Band is based on various factors and assumptions and will be determined in compliance with the SEBI ICDR Regulations. The Offer Price will be determined in compliance with SEBI ICDR Regulations, through the Book Building Process as provided in Regulation 28 and Schedule XIII of SEBI ICDR Regulations. The Offer will be based on numerous factors, as described under in "*Basis for Offer Pric*e" on page 186. This price may not necessarily be indicative of the market price of the Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer Price and may, as a result, lose all or part of your investment. The price at which the Equity Shares will trade at after the Offer will be determined by the marketplace and may be influenced by many factors, including:

- our financial condition, results of operations and cash flows;
- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for as well as timing of our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;
- additions or departures of Key Managerial Personnel;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our financial condition, results of operations and cash flows.

The Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in the Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares.

77. ***Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

78. ***We have issued Equity Shares and Preference Shares in the last 12 months prior to the date of this Prospectus at prices that may be lower than the Offer Price.***

Our Bank has issued Equity Shares and Preference Shares in the last 12 months immediately preceding the date of this Prospectus at prices that may be lower than the Offer Price. For details, see "*Capital Structure – Notes to Capital*

Structure – Share Capital History of our Bank" on page 130. The price at which we have issued Equity Shares and Preference Shares in the last 12 months is not necessarily indicative of the Offer Price.

79. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised and our management will have broad discretion over the use of the Net Proceeds.***

We intend to utilise the Net Proceeds to augment our Bank's Tier – I capital base to meet our Bank's future capital requirements, which are expected to arise out of growth in our Bank's assets, primarily our Bank's advances and investment portfolio, and to ensure compliance with applicable RBI regulations and guidelines. For further details, see "*Objects of the Offer – Net Proceeds*" on page 182. As stipulated in Regulation 41 of the SEBI ICDR Regulations, we are not required to appoint a monitoring agency for the use of the Net Proceeds, and we do not intend to do so. Our proposed deployment of the Net Proceeds has not been appraised and it is based on management estimates. Under the SEBI ICDR Regulations, our Bank is not required to appoint a monitoring agency for the Offer and deployment of the Fresh Issue proceeds will be entirely at the discretion of our Bank. Our management will therefore have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use of the Net Proceeds to achieve profitable growth in our business. Accordingly, the use of the Net Proceeds may not result in the growth of our business or increased profitability.

80. ***We will not receive any proceeds from the Offer for Sale.***

The Offer consists of a Fresh Issue and an Offer for Sale. Each of the Selling Shareholders will be entitled to their respective portion of the proceeds from the Offer for Sale in proportion of the Equity Shares offered by the respective Selling Shareholders as part of the Offer for Sale. Our Bank will not receive any proceeds from the Offer for Sale. See "*Objects of the Offer*" on page 181.

81. ***Our ability to pay dividends in the future will depend on our financial condition, results of operations, cash flows, capital requirements, capital expenditures and restrictive covenants of our financing arrangements, as well as compliance with applicable RBI regulations.***

We have not paid any dividends in Fiscals 2023, 2022 and 2021, nor have we declared any dividend from April 1, 2023 until the date of this Prospectus. We have not adopted a formal dividend policy. Any future determination as to the declaration and payment of dividends will be, subject to relevant RBI regulations, at the discretion of our Board and subsequent approval of shareholders and lenders and will depend on factors that our Board and shareholders deem relevant, including, among others, our future financial condition, results of operations, cash flows, capital requirements, capital expenditures, business prospects and restrictive covenants under our financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. In addition, the declaration and payment of dividends is subject to relevant RBI regulations (including RBI circular DBOD.NO.BP.BC. 88 / 21.02.067 / 2004-05 dated May 4, 2005, as amended). The RBI vide its circulars dated April 17, 2020 and December 4, 2020 had decided that banks shall not make any further dividend pay-outs from profits pertaining to the year ended March 31, 2020 until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by COVID-19. Accordingly, the Board did not propose any dividend for the year ended March 31, 2020. In its circular dated April 22, 2021, the RBI permitted banks, including our Bank, to pay dividends on equity shares from profits for Fiscal 2021, subject to the quantum of dividend not exceeding more than 50.00% of the amount determined by the dividend payout ratio specified in the RBI circular dated May 4, 2005. We cannot assure you that we will be able to pay dividends at any point in the future.

82. ***Any future issuance of Equity Shares or securities convertible into Equity Shares by us or sales of Equity Shares by JHL, one of our Promoters,* or *a rapid sale of any Equity Shares acquired from JHL as a result of invoking a pledge could adversely affect the trading price of the Equity Shares and in the case of the issuance of Equity Shares or securities convertible into Equity Shares by us result in the dilution of our then current Shareholders.***

Any future issuances of Equity Shares or convertible securities could dilute the holdings of our Shareholders and adversely affect the trading price of the Equity Shares. Such securities may also be issued at prices below the Offer Price. Sales of Equity Shares by JHL or a rapid sale of any Equity Shares acquired from JHL as a result of invoking a pledge could also adversely affect the trading price of the Equity Shares. There can be no assurance that we will not issue additional Equity Shares or securities convertible into Equity Shares or that JHL will not sell its Equity Shares that are not subject to the lock-in during the lock-in period.

Our Promoters hold 25.20% of our pre-Offer paid-up equity share capital, on a fully diluted basis. Following the Offer, our Promoters will hold 22.52% of our Post-Offer paid-up equity share capital on a fully diluted basis. As disclosed in "*Capital Structure*" on page 130, an aggregate of 20% of our fully diluted post-Offer capital (assuming conversion of the Preference Shares and exercise of all vested employee stock options, if any, under the ESOP 2018 and the ESOP 2017) held by our Promoters shall be considered as minimum Promoters' contribution and locked in for a period of 18 months and the balance Equity Shares held by our Promoters and the other pre-Offer Shareholders following the Offer will be locked-in for one year from the date of Allotment. Our Promoters are required to reduce their shareholding to 26.00% of our paid-up Equity Share Capital or voting rights after the completion of 15 years from the commencement of our business operations (i.e., by March 28, 2033), as per the Reserve Bank of India Guidelines on Acquisition and Holding of Shares dated January 16, 2023 read with Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023. For further details, see *"- Details of Promoters' Contribution and lock-in*" on page 165.

JHL, one of our Promoters, has undertaken to pledge 23,575,790 Equity Shares held by it in our Bank. For further details, see "- *52. JHL, one of our Promoters, has undertaken to pledge 23,575,790 Equity Shares held by it in our Bank, which will become effective within two days of expiry of the relevant lock-in period prescribed under Regulations 14 and 16 of the SEBI ICDR Regulations. Any invocation of a pledge would lead to a reduction in shareholding of our Promoters and could decrease our Promoter's influence over our Bank. In addition, a rapid sale of such Equity Shares could result in a material decrease in the market price of the Equity Shares.*" on page 92.

83. ***Investors may be subject to Indian taxes arising out of capital gains and stamp duty on the sale of the Equity Shares and will be subject to India taxes on any dividends.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any equity shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain released on the sale of our equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from sale of shares of an Indian company.

The Finance Act, 2020 ("**Finance Act 2020**") had stipulated that the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act 2020 also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities other than debentures, on a delivery basis, is currently specified under the Finance Act at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Under the Finance Act 2020, any dividends paid by an Indian company is subject to tax in the hands of the shareholders at applicable rates. Such taxes are to be withheld by the Indian company paying dividends. Further, the Finance Act, 2020, which followed, removed the requirement for dividend distribution tax to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Our Bank may grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends, subject to appropriate documentation provided by such non-resident Shareholder. Potential investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares

84. ***QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/ Issue Closing Date. While our Bank is required to complete Allotment within six Working Days from the Bid or Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, political or economic conditions, or changes to our business or financial condition, may arise between the date of submission of the Bid and Allotment. Our Bank may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

85. ***Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.***

The Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend received by investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Rupee and other currencies (such as the U.S. dollar, the Euro, the pound sterling, the Hong Kong dollar and the Singapore dollar) has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our operating results.

86. ***Investors will not, without prior approval of the RBI, be able to acquire Equity Shares if such acquisition would result in an individual or group holding 5% or more of our share capital or voting rights directly or indirectly. Further, no Shareholder will be permitted to exercise voting rights in excess of 26% of the total voting rights of our Bank.***

The Banking Regulation Act, read with the SFB Licensing Guidelines, Master Direction on Acquisition and Holding of Shares or Voting Rights and the Guidelines on Acquisition and Holding of Shares or Voting Rights, requires any person to seek prior approval of the RBI, to acquire or agree to acquire shares or voting rights of a bank, either directly or indirectly, beneficial or otherwise, by himself or acting in concert with other persons, wherein such acquisition (taken together with shares or voting rights held by him or his relative or associate enterprise or persons acting in concert with him) results in the aggregate shareholding of such persons to be 5% or more of the paid-up share capital of a bank or entitles them to exercise 5% or more of the voting rights in a bank. Such approval may be granted by the RBI if it is satisfied that the applicant meets certain fitness and propriety tests. The RBI may require the proposed acquirer to seek further RBI approval for subsequent acquisitions. The Guidelines also prescribe limits on ownership for all shareholders in the long run based on categorization of shareholders under two broad categories: (1) in case of non-promoters: (a)10% of the paid-up share capital or voting rights of the banking company in case of natural persons, non-financial institutions, financial institutions directly or indirectly connected with large industrial houses and financial institutions that are owned to the extent of 50% or more or controlled by individuals (including the relatives and persons acting in concert); and (b) 15% of the paid-up share capital or voting rights of the banking company in case of certain financial institutions, supranational institutions, public sector undertaking and central/state government; (2) in case of promoters, 26% of the paid-up share capital or voting rights of the banking company after the completion of 15 years from commencement of business of the banking company. Further, the RBI may, by passing an order, restrict any person holding more than 5% of our total voting rights from exercising voting rights in excess of 5%, if such person is deemed not to be fit and proper by the RBI. Further, as per the Banking Regulations Act read with gazette notification DBR.PSBD.No.1084/16.13.100/2016-17 dated July 21, 2016, no shareholder in a bank can exercise voting rights on poll in excess of 26% of total voting rights of all the shareholders of the bank. For more details, see "*Key Regulations and Policies*" on page 313. Consequently, even if a potential takeover of our Bank would result in the purchase of Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the regulatory framework applicable to us.

87. ***The individual foreign investment limit of registered FPIs in our Bank is 10.00% of the total paid-up equity share capital of our Bank and the aggregate foreign investment limit for registered FPIs in our Bank is 49.00% of the total paid-up equity share capital of our Bank under the automatic route and 74.00% of the total paid-up equity share capital of our Bank under the Government approval route.***

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by the RBI thereunder, and the Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India from time to time. Under the current FDI Policy (effective October 15, 2020), up to 49.00% foreign direct investment in our Bank is permitted under the automatic route and up to 74.00% foreign direct investment in our Bank is permitted under the Government approval route.

In terms of the SEBI (Foreign Portfolio Investors) Regulations, 2019 (the "**SEBI FPI Regulations**"), the issue of

Equity Shares to a single foreign portfolio investor ("**FPI**"), including its investor group (which means the same multiple entities registered as foreign portfolio investors having common ownership directly or indirectly of more than 50.00% or common control), must be below 10.00% of our Bank's post-Offer paid-up equity share capital on a fully diluted basis, collectively, shall not exceed 24% of the paid-up equity share capital of our Bank. For calculating the aggregate holding of FPIs in our Bank, the holdings of all registered FPIs shall be included. Further, under the FDI Policy, at least 26.00% of the paid-up capital of our Bank is required to be held by residents. Also see "*– 85. Investors will not, without prior approval of the RBI, be able to acquire Equity Shares if such acquisition would result in an individual or group holding 5% or more of our share capital or voting rights directly or indirectly. Further, no Shareholder will be permitted to exercise voting rights in excess of 26% of the total voting rights of our Bank*" on page 112.

As per the circular issued by SEBI on November 24, 2014, the above investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Notes. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Notes investments in our Bank.

88. ***Foreign investors are subject to investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the RBI's approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, which came into effect from April 22, 2020, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 569. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, results of operations and cash flows.

89. ***Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, 2013, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our Bank filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless our Bank makes such a filing. Our Bank may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in our Bank would be reduced.

90. ***Withholding may be imposed on payments on the Equity Shares under the U.S. Foreign Account Tax Compliance Act.***

Certain U.S. tax provisions in the U.S. Foreign Account Tax Compliance Act, which is commonly referred to as FATCA, may impose 30.00% withholding on "foreign passthru payments" made by a "foreign financial institution" (an "**FFI**"). Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether or to what extent payments on the Equity Shares would be considered foreign passthru payments. Withholding on foreign passthru payments would not be required with respect to payments made before the date that is two years after the date of publication in the Federal Register of final regulations defining the term "foreign passthru payment." The United States has entered into an intergovernmental agreement with India (the "**IGA**"), which potentially modifies the FATCA withholding regime described above. We have registered as an FFI with the U.S. Internal Revenue Service and we believe that we may be subject to diligence, reporting and withholding obligations under the FATCA rules and the IGA. It is not yet clear how the IGA will address foreign passthru payments. Prospective investors in the Equity Shares should consult their tax advisors regarding the potential effect of FATCA, the IGA and any non-U.S. legislation implementing FATCA on their investment in the Equity Shares.

91. ***If our Bank is classified as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes, it could result in adverse U.S. federal income tax consequences to U.S. holders of Equity Shares.***

Our Bank will be classified as a PFIC for any taxable year if either: (a) at least 75.00% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50.00% of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. Passive income for this purpose generally includes, among other things, dividends, interest, royalties, rents and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income; however, under final and proposed U.S. Treasury Regulations and a notice from the U.S. Internal Revenue Service, special rules apply to income derived in the active conduct of a banking business. Based on the current and anticipated composition of the income, assets (including their expected values) and operations of our Bank and the application to our Bank of the relevant PFIC rules governing banks referred to above, our Bank does not expect to be treated as a PFIC for the preceding taxable year, the current taxable year or in the foreseeable future. Whether our Bank is treated as a PFIC is a factual determination that must be made annually after the close of each taxable year. This determination will depend on, among other things, the composition of the income and assets, as well as the value of the assets (which may fluctuate with our Bank's market capitalization) of our Bank from time to time. In addition, the manner in which the PFIC rules governing banks apply to our Bank is unclear in some respects. Some of the administrative guidance governing the application of the PFIC rules to banks is in the form of proposed U.S. Treasury Regulations and may change significantly when finalized, and new or revised regulations or pronouncements interpreting or clarifying the PFIC bank provisions may be forthcoming. Therefore, there can be no assurance that our Bank will not be classified as a PFIC in any taxable year. If our Bank were treated as a PFIC for any taxable year during which a U.S. Holder held Equity Shares, certain adverse U.S. federal income tax consequences would apply to such U.S. Holder.

SECTION III: INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

Equity Shares Issued	
Offer of Equity Shares[#]**	13,768,049[#$] Equity Shares, aggregating to ₹ 5,699.98[#] million
The Offer of which:	
Fresh Issue[(1)]	11,159,420[#$] Equity Shares, aggregating to ₹ 4,620[#*] million
Offer for Sale[(2)]	2,608,629[#] Equity Shares, aggregating to ₹ 1,079.98[#] million
of which:	
A) Employee Reservation Portion[(3)(7)]	326,086[#] Equity Shares, aggregating to ₹ 135.00[#] million
B) Net Offer	13,441,963[#] Equity Shares, aggregating to ₹ 5,564.98[#] million
The Net Offer consists of:	
A) QIB Portion[(4)]	6,720,980[#] Equity Shares aggregating to ₹ 2,782.49[#] million
of which:	
- Anchor Investor Portion	4,032,588[#] Equity Shares
- Net QIB Portion	2,688,392[#] Equity Shares
of which:	
- Mutual Fund Portion	134,420[#] Equity Shares
- Balance for all QIBs including Mutual Funds	2,553,972[#] Equity Shares
B) Non-Institutional Portion[(5)]	2,016,295[#] Equity Shares aggregating to ₹ 834.75[#] million
of which	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1 million	672,099[#] Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1 million	1,344,196[#] Equity Shares
C) Retail Portion	4,704,688[#] Equity Shares aggregating to ₹ 1,947.75[#] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	93,430,855 Equity Shares
Equity Shares outstanding after the Offer	104,590,275[#] Equity Shares
Utilisation of Net Proceeds of the Offer	See "*Objects of the Offer*" on page 181 for information about the use of the Net Proceeds, Our Bank will not receive any proceeds from the Offer for Sale.

[#] *Subject to finalisation of Basis of Allotment*

[$] *This includes 326,086 Equity Shares aggregating to ₹135.00 million issued to Eligible Employees applied to the Employee Reservation Portion*

* *In terms of the Banking Regulation Act and circulars issued thereunder, prior approval from the RBI is required for any issue/ acquisition of shares which results in a person holding (by himself or acting in concert with any other person) 5.00% or more of the paid-up Equity Share capital or voting rights of our Bank .*

\# *Our Bank, in consultation with the BRLMs undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each aggregating to ₹ 121.54 million and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 1,009.99 million. The size of the Fresh Issue has been adjusted to ₹ 4,620.00 million. Our Bank had intimated the subscribers to the Pre-IPO Placement that our Bank is contemplating the Offer and that there is no guarantee that our Bank may proceed with the Offer, or that the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges, and the investment is being done solely at their own risk.*

[(1)] *The Fresh Issue has been authorized by our Board pursuant to a resolution passed on July 20, 2023 and by our Shareholders pursuant to a special resolution passed on July 26, 2023. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated July 29, 2023. Our Board of Directors has taken on record the revised Offer size on January 24, 2024.*

[(2)] *Each of the Selling Shareholders severally and not jointly, specifically confirms that their respective Offered Shares are eligible for being offered for sale in the Offer, in terms of Regulation 8 of the SEBI ICDR Regulations. Each of the Selling Shareholders has authorised and consented to participate in the Offer for Sale as set out below*:

Sr. No.	Name of the Selling Shareholder	No. of Equity Shares offered in the Offer for Sale	Date of consent letter	Date of corporate authorisation/board resolution/ power of attorney, where applicable
Selling Shareholders				
1.	CRL	906,277[#]	January 23, 2024	July 20, 2023
2.	ERL	929,656[#]	January 23, 2024	July 20, 2023
3.	GAWA 2	141,285[#]	January 23, 2024	June 26, 2023
4.	GP II Trust (Ajay Tandon)	413[#]	January 23, 2024	-
5.	GP II Trust (Siva Shankar)	998[#]	January 23, 2024	-
6.	Hero Ventures	630,000[#]	January 23, 2024	July 10, 2023
	Total	**2,608,629**[#]	-	-

Subject to finalisation of Basis of Allotment

(3) *The Employee Reservation Portion did not exceed 5% of our post-Offer paid-up Equity Share capital. For further details, see "Offer Structure" on page 545.*

(4) *Our Bank, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion was accordingly reduced for any Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion has been reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" on page 550.*

(5) *Allocation to Bidders in all categories, except Anchor Investors, if any, and Retail Individual Investors, was made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor was not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, were allocated on a proportionate basis. Allocation to Anchor Investors was on a discretionary basis. For details, see "Offer Procedure" on page 550. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, were subject to the following, and in accordance with the SEBI ICDR Regulations: (i) one-third of the portion available to Non-Institutional Bidders was reserved for Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1 million and (ii) two-third of the portion available to Non- Institutional Bidders was reserved for Bidders with application size of more than ₹ 1 million, provided that the unsubscribed portion in either of the aforementioned sub-categories will be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allocation to each Non-Institutional Bidder was not less than the minimum Non-Institutional Bidder Application Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, were allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.*

(6) *SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 0.50 million shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.*

(7) *The aggregate pre-Offer and post-Offer shareholding of the Selling Shareholders and the percentage of the pre-Offer and post-Offer paid-up Equity Share capital, respectively, of our Bank is set out below:*

Sr. No.	Name of the Selling Shareholders	Total No. of Equity Shares held prior to the Offer#	Percentage of the pre-Offer paid-up capital (%)	Number of Equity Shares offered in the Offer for Sale	Total No. of Equity Shares held post the Offer	Percentage of post-offer capital
1.	CRL	1,812,554	1.94	906,277# Equity Shares aggregating to ₹ 375.20# million	906,277	0.87%
2.	ERL	929,656	1.00	9,29,656# Equity Shares aggregating to ₹ 384.88# million	Nil	Nil
3.	GAWA 2	141,285	0.15	141,285# Equity Shares aggregating to ₹ 58.49# million	Nil	Nil
4.	GP II Trust (Ajay Tandon)	825	Negligible	413# Equity Shares aggregating to ₹ 0.17# million	412	Negligible
5.	GP II Trust (Siva Shankar)	1,995	Negligible	998# Equity Shares aggregating to ₹ 0.41# million	997	Negligible
6.	Hero Ventures	4,527,856	4.85	630,000# Equity Shares aggregating to ₹ 260.82# million	3,897,856	3.72%
Total		**7,414,171**	**7.94**	**2,608,629# Equity Shares**	**4,805,542**	**4.59%**

Subject to finalisation of Basis of Allotment

For further details, see "*Offer Structure*" on page 545. For details of the terms of the Offer, see "*Terms of the Offer*" beginning on page 539.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 388 and 463.

[***The remainder of this page has intentionally been left blank.***]

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in millions)

	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
CAPITAL AND LIABILITIES					
Capital	3,435.26	3,249.79	3,249.79	2,014.12	2,007.27
Reserves and surplus	22,254.39	12,699.79	14,722.77	9,992.88	9,140.86
Deposits	189,367.24	141,677.52	163,340.16	135,364.92	123,162.58
Borrowings	53,135.43	59,992.36	62,774.60	45,098.32	48,153.19
Other liabilities and provisions	12,866.42	9,208.76	12,349.59	9,416.84	8,322.71
TOTAL	**281,058.74**	**226,828.22**	**256,436.91**	**201,887.08**	**190,786.61**
ASSETS					
Cash and Balances with Reserve Bank of India	9,768.28	8,112.74	10,109.39	15,300.19	21,252.87
Balances with banks and money at call and short notice	352.93	2,835.48	10,763.69	70.73	1,344.84
Investments	55,091.94	63,995.42	52,212.25	50,652.61	46,977.85
Advances	210,087.10	146,426.49	177,595.55	130,066.74	115,996.73
Fixed assets	1,330.39	1,457.23	1,277.50	1,716.47	2,120.58
Other assets	4,428.10	4,000.86	4,478.53	4,080.34	3,093.74
TOTAL	**281,058.74**	**226,828.22**	**256,436.91**	**201,887.08**	**190,786.61**
Contingent liabilities	1,036.58	407.83	771.75	417.43	474.59
Bills for collection	-	-	-	-	-

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in million)

PARTICULARS	Six months ended September 30, 2023	Six months ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
I. INCOME					
Interest earned	18,639.41	13,962.26	30,750.10	27,265.35	24,977.28
Other income	3,516.27	2,933.91	6,248.65	3,358.30	2,230.13
TOTAL	**22,155.68**	**16,896.17**	**36,998.75**	**30,623.65**	**27,207.41**
II. EXPENDITURE					
Interest expended	8,763.07	6,443.64	14,149.90	13,367.52	12,345.79
Operating expenses	7,831.59	6,105.99	12,845.11	11,388.21	10,473.10
Provisions and contingencies	3,428.84	3,790.20	7,444.03	5,693.21	3,665.92
TOTAL	**20,023.50**	**16,339.83**	**34,439.04**	**30,448.94**	**26,484.81**
III. PROFIT/(LOSS)					
Net profit/(loss) for the period / year	2,132.18	556.34	2,559.71	174.71	722.60
Add/(Less): Prior period item	-	-	-	-	-
Balance in Profit and Loss Account brought forward	(39,078.74)	(40,830.29)	(40,830.29)	(40,952.23)	(41,266.66)
Transfer from Investment Fluctuation Reserve	-	-	-	-	-
TOTAL	**(36,946.56)**	**(40,273.95)**	**(38,270.58)**	**(40,777.52)**	**(40,544.06)**
IV. APPROPRIATIONS					
Transfer to Statutory Reserve	-	-	639.93	13.51	210.76
Transfer to Capital Reserve	-	-	9.37	30.54	31.44
Transfer to Investment Reserve Account	-	-	0.09	2.94	-
Transfer to Investment Fluctuation Reserve	200.00	-	158.77	5.79	165.97
Balance carried over to Balance Sheet	(37,146.56)	(40,273.95)	(39,078.74)	(40,830.29)	(40,952.23)
TOTAL	**(36,946.56)**	**(40,273.95)**	**(38,270.58)**	**(40,777.52)**	**(40,544.06)**
V. EARNINGS/(LOSS) PER EQUITY SHARE (refer Annexure 23.2)					
(Face value of per share ₹ 10 per share)					
Basic (₹)*	33.26	10.52	47.47	3.44	14.25
Diluted (₹)*	29.45	9.76	42.64	3.21	13.46

RESTATED SUMMARY STATEMENT OF CASH FLOWS

(₹ in million)

S. No.	Particulars	Six months ended September 30, 2023	Six months ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
A.	**Cash flow from operating activities**					
	Net profit before taxes	2,132.18	556.34	2,559.71	174.71	722.60
	Adjustments for:					
	Depreciation on fixed assets	337.88	357.10	686.89	808.15	826.77
	Loss on sale of fixed assets	1.50	2.15	9.75	2.07	77.34
	Employee stock option expenses	16.70	20.52	45.99	24.19	(9.76)
	Provision for non-performing assets	2,368.93	1,135.29	456.88	287.04	588.85
	Bad debts written off	1,242.14	2,798.34	6,389.55	5,853.29	2,327.03
	Provision for standard assets (including standard restructured accounts)	(174.21)	(144.28)	595.27	(457.70)	782.29
	Premium amortisation on HTM investments	18.15	14.65	31.30	29.45	44.95
	Operating profit / (loss) before working capital changes (i)	**5,943.27**	**4,740.11**	**10,775.34**	**6,721.20**	**5,360.07**
	Movement in working capital					
	(Increase)/Decrease in investments	(4,370.43)	(12,805.28)	2,496.04	9,193.45	(8,289.70)
	(Increase)/Decrease in advances	(36,102.62)	(20,149.08)	(54,375.24)	(20,210.15)	(20,128.79)
	Increase/(Decrease) in deposits	26,027.08	6,275.54	27,975.24	12,202.34	26,643.11
	(Increase)/Decrease in other assets	120.17	114.06	(304.56)	(958.93)	(353.61)
	(Increase)/Decrease in lein marked fixed deposits	(74.77)	(176.18)	(182.48)	114.01	(135.79)
	Increase/(Decrease) in other liabilities and provisions	691.04	(171.04)	2,337.48	1,551.83	3,099.36
	Net change in working capital (ii)	**(13,709.53)**	**(26,911.99)**	**(22,053.52)**	**1,892.55**	**834.58**
	Direct taxes paid (net of refunds) (iii)	**(69.74)**	**(34.57)**	**(93.63)**	**(27.67)**	**(41.44)**
	Net cash flow generated from / (used in) operating activities (i)+(ii)+(iii) (A)	**(7,836.00)**	**(22,206.45)**	**(11,371.81)**	**8,586.09**	**6,153.21**
B.	**Cash flow from investing activities**					
	Purchase of fixed assets	(373.31)	(100.83)	(260.47)	(408.40)	(427.31)
	Proceeds from sale of fixed assets	2.81	0.82	2.80	2.29	2.72
	(Increase)/Decrease of held-to-maturity securities	1,472.59	(552.18)	(4,086.98)	(12,897.56)	(12,232.74)
	Net cash flow generated from / (used in) investing activities (B)	**1,102.09**	**(652.19)**	**(4,344.65)**	**(13,303.67)**	**(12,657.33)**
C.	**Cash flow from financing activities**					
	Proceeds from issue of equity shares	185.47	35.67	35.67	6.85	0.09
	Proceeds from issue of compulsorily convertible preference shares	-	1,200.00	1,200.00	-	-
	Securities premium received	5,382.74	2,130.05	2,124.19	653.12	-
	Proceeds from issue of Tier II capital bonds	-	500	-	500.00	-
	Increase / (decrease) in other borrowings	(9,639.17)	14,394.04	17,676.28	(3,555.17)	19,165.58
	Net cash flow generated from / (used in) financing activities (C)	**(4,070.96)**	**18,259.76**	**21,036.14**	**(2,395.20)**	**19,165.67**
	Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	**(10,804.86)**	**(4,598.89)**	**5,319.68**	**(7,112.78)**	**12,661.55**
	Cash and cash equivalents as at beginning of the period / year	20,668.82	15,349.14	15,349.14	22,461.92	9,800.37
	Cash and cash equivalents as at end of the period / year	9,863.95	10,750.25	20,668.82	15,349.14	22,461.92

GENERAL INFORMATION

Corporate Registration Number: 040028
Corporate Identity Number: U65923KA2006PLC040028
Registered and Corporate Office
Jana Small Finance Bank Limited
The Fairway Business Park
#10/1, 11/2, 12/2B
Off Domlur, Koramangala Inner Ring Road
Next to EGL, Challaghatta
Bengaluru 560 071
Karnataka, India

RBI License Number: MUM:134

Address of the RoC

Our Bank is registered with the RoC situated at the following address:
Registrar of Companies, Karnataka
"E" Wing, 2nd Floor
Kendriya Sadana
Koramangala
Bengaluru 560 034
Karnataka, India

Company Secretary and Compliance Officer

Lakshmi R N
Jana Small Finance Bank Limited
The Fairway Business Park
#10/1, 11/2, 12/2B
Off Domlur, Koramangala Inner Ring Road
Next to EGL, Challaghatta
Bengaluru 560 071
Karnataka, India
Tel: +91 80 4602 0100
Email: investor.grievance@janabank.com

Board of Directors

As on the date of this Prospectus, our Board of Directors comprises of the following:

Name	Designation	DIN	Address
Subhash Chandra Khuntia	Part-time Chairman and Independent Director	05344972	16-C, MCHS Colony, 1st B Main Road, HSR Layout (Sector 6), Bangalore South, Bengaluru - 560 102, Karnataka, India
Ajay Kanwal	Managing Director and Chief Executive Officer	07886434	#9/10, Vishwamitra 292, J N Patil Marg, Mumbai Suburban, Mumbai 400 071, Maharashtra, India
Krishnan Subramania Raman	Executive Director	10380292	701, Embassy Oasis, No 46/1 and 46/2 Promenade Road, Frazer Town, Sivan Chetty Gardens, Bangalore 560042, Karnataka, India
Ramesh Ramanathan	Non-Executive Non-Independent Director	00163276	#4-402 III Floor, Lyndhurst Apartment, Walton Road, Lavelle Road, Bengaluru 560 001, Karnataka, India
Rahul Khosla	Non-Executive Non-Independent Nominee Director*	03597562	N-31, 1st Floor, Panchsheel Park, Panchsheel Enclave, South Delhi, Delhi - 110 017, India
Ramalingam Ramaseshan	Non-Executive Independent Director	00200373	No.10, 5 C Cross, 16 Main, IAS Colony, BTM Layout, Bengaluru 560 076, Karnataka, India
Chitra Talwar	Non-Executive Independent Director	07156318	Apt 9B, Sky Gardens, Rhenius Street, Richmond Town, Bengaluru 560 025, Karnataka, India
Kumbla Srinivas Nayak	Non-Executive Independent	09094351	201, Preetika Apartment, Saraswati Road, Santacruz West,

Name	Designation	DIN	Address
	Director		Mumbai 400 054, Maharashtra, India
Pammi Vijaya Kumar	Non-Executive Independent Director	07492149	Building 5, 1102, Kesar Exotica CHS, Kopra Road, Sector 10, Kharghar, Raigarh – 410 210, Maharashtra, India

* *Nominated on behalf of TPG Asia VI SF Pte Ltd*

For details of our Directors, see "*Our Management*" on page 345.

Filing

A copy of the Draft Red Herring Prospectus was filed electronically on the SEBI intermediary portal and emailed at cfddil@sebi.gov.in in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

It was also filed with the Securities and Exchange Board of India at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Maharashtra, India

Our Bank is registered with the Registrar of Companies, Karnataka at Bengaluru. A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 was filed with the RoC and a copy of this Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC.

Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183
E-mail: jana.ipo@axiscap.in
Website: www.axiscapital.co.in

Investor Grievance ID: complaints@axiscap.in

Contact Person: Simran Gadh/Sagar Jatakiya

SEBI Registration Number: INM000012029

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: jana.ipo@icicisecurities.com
Website: www.icicisecurities.com

Investor Grievance ID: customercare@icicisecurities.com

Contact Person: Ashik Joisar/Harsh Thakkar

SEBI Registration Number: INM000011179

SBI Capital Markets Limited
1501, 15th floor, A & B Wing
Parinee Crescenzo, G Block

Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4006 9807
E-mail: jana.ipo@sbicaps.com
Website: www.sbicaps.com

Investor Grievance ID: investor.relations@sbicaps.com

Contact Person: Vaibhav Shah

SEBI Registration Number: INM000003531

Syndicate Members

Investec Capital Services (India) Private Limited
1103-04, 11th Floor, B Wing
Parinee Crescenzo Bandra Kurla Complex,
Mumbai 400 051,
Maharashtra, India
Tel: + 91 22 6849 7400
E-mail: kunal.naik@investec.co.in
Website: www.investec.com/india.html

Contact Person: Kunal Naik

SEBI Registration Number: INZ000007138

SBICAP Securities Limited
Marathon Futurex B Wing,
Unit No 1201, 12th Floor, N M Joshi Marg
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: + 91 22 6931 6204
E-mail: archana.dedhia@sbicapsec.com
Website: www.sbisecurities.in

Contact Person: Archana Dedhia

SEBI Registration Number: INZ000200032

Legal Counsel to our Bank as to Indian Law

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road, Off M.G. Road
Bengaluru 560 025
Karnataka
India
Tel: +91 80 2558 4870
Joint Statutory Auditors to our Bank

Brahmayya & Co.
10/2, Khivraj Mansion
Kasturba Road
Bengaluru - 560 001
Karnataka, India
Tel: +91 93438 33184
E-mail: srinivas@brahmayya.in

Firm Registration Number: 000515S

Peer Review Certificate Number: 014671

M M Nissim & Co LLP
Barodawala Mansion, B-wing, 3rd Floor

81, Dr. Annie Besant Road, Worli
Mumbai - 400 018
Maharashtra, India
Tel: +91 22 2496 9900
E-mail: skkhemani@mmnissim.com

Firm Registration Number: 107122W/W100672

Peer Review Certificate Number: 014093

Except as stated below, there is no change in our statutory auditors in the three years immediately preceding the date of this Prospectus:

Particulars	Date of change	Reason for change
Brahmayya & Co. 10/2, Khivraj Mansion, Kasturba Road, Bengaluru – 560 001, Karnataka, India **Tel**: +91 93438 33184 **E-mail**: srinivas@brahmayya.in **Firm Registration Number**: 000515S **Peer Review Certificate Number**: 014671	April 1, 2021	Appointment as Joint Statutory Auditors of the Bank*
M M Nissim & Co LLP Barodawala Mansion, B-wing, 3rd Floor, 81, Dr. Annie Besant Road, Worli, Mumbai - 400 018, Maharashtra, India **Tel**: +91 91 22 2496 9900 **E-mail**: skkhemani@mmnissim.com **Firm Registration Number**: 107122W / W100672 **Peer Review Certificate Number**: 014093	April 1, 2021	Appointment as Joint Statutory Auditors of the Bank*
MSKC & Associates (*formerly known as R. K. Kumar & Co.*) 602, Floor 6, Raheja Titanium Western Express Highway, Geetanjali Railway Colony Ram Nagar, Goregaon (E) Mumbai 400 063, Maharashtra, India **Tel**: +91 22 6831 1600 **Email**: TusharKurani@bdo.in **Firm Registration Number**: 001595S **Peer Review Number**: 011948	March 31, 2021	Inability to continue as the statutory auditors for financial year 2021-2022 due to the limitation on the number of statutory audit of the banks in a particular year as per the RBI guidelines

*Note: *In terms of the RBI Auditor Guidelines dated April 27, 2021, the Bank has appointed two audit firms as joint statutory auditors with effect from Financial Year 2022. The Bank has appointed M M Nissim & Co LLP, Chartered Accountants and Brahmayya & Co. Chartered Accountants, as its joint statutory auditors pursuant to the AGM and Board resolution dated August 19, 2021 and July 2, 2021 till the conclusion of the AGM to be held in Fiscal 2024-25, respectively, and in terms of Section 30(1A) of the Banking Regulations Act, the RBI has conveyed its approval for the appointment of such joint statutory auditors for Fiscal 2023 vide its approval dated June 22, 2022.*

Registrar to the Offer

KFin Technologies Limited (formerly known as KFin Technologies Private Limited)
Selenium Tower B, Plot No. 31-32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad - 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: jana.ipo@kfintech.com
Website: www.kfintech.com

Investor grievance ID: einward.ris@kfintech.com

Contact Person: M. Murali Krishna

SEBI Registration No.: INR000000221

Bankers to the Bank

The Federal Bank Limited

3d Floor, No.9 Halcyon Complex
St. Marks Road
Bangalore 560 001
Tel: + 91 90082 51800/ +91 99467 90929
Email: rameshchandranm@federalbank.co.in/jijubobygeorge@federalbank.co.in
Website: www.federalbank.co.in

Contact Person: Ramesh Chandran M/Jiju Boby George

CIN: L65191KL1931PLC000368

Bankers to the Offer

Escrow Collection Bank, Refund Bank and Sponsor Bank

ICICI Bank Limited
Capital Market Division, 5th Floor
163 HT Parekh Marg
Backbay Reclamation Churchgate
Mumbai 400020
Tel: 022 68052185
Email: ipocmg@icicibank.com
Website:www.icicibank.com

Contact Person: Varun Badai

CIN: L65190GJ1994PLC021012

SEBI Registration No: INBI00000004

Public Offer Bank and Sponsor Bank

Axis Bank Limited
Axis House
Wadia International Center
P.B Marg Worli
Mumbai 400 025
Tel: 022 24253672
Email: vishal.lade@axisbank.com
Website: www.axisbank.com

Contact Person: Vishal Lade

CIN: L65110GJ1993PLC020769

SEBI Registration No: INBI00000017

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount was blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the

Members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Experts

Except as stated below, our Bank has not obtained any expert opinions:

Our Bank has received written consent dated February 9, 2024 from our Joint Statutory Auditors namely, M M Nissim & Co LLP, Chartered Accountants and Brahmayya & Co. Chartered Accountants, respectively, holding a valid peer review certificate from the Institute of Chartered Accountants of India, to include their name as required under section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their (i) examination report, dated January 20, 2024 on our Restated Financial Statements, and (ii) their report dated January 18, 2024 on the Statement of Special Tax Benefits included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

In addition, our Bank has received written consent dated January 22, 2024 from JHS & Associates LLP, Chartered Accountants, as the independent chartered accountants to include its name in this Prospectus, as required under Section 26(5) of the Companies Act, 2013, read with the SEBI ICDR Regulations, as an "expert" under Section 2(38) of the Companies Act, and other applicable provisions of the Companies Act in its capacity as an independent chartered accountant, in respect of the certificates issued, and such consent has not been withdrawn as on the date of this Prospectus.

Monitoring Agency

In terms of the proviso to Regulation 41(1) of the SEBI ICDR Regulations, our Bank is not required to appoint a monitoring agency for this Offer.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an issue of Equity Shares, there is no credit rating required for the Offer.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Trustees

As this is an issue of Equity Shares, the appointment of trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring, due diligence of the Bank including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	All BRLMs	Axis
2.	Drafting and approval of all statutory advertisement	All BRLMs	Axis
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	All BRLMs	I-Sec
4.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	All BRLMs	I-Sec
5.	International institutional marketing of the Offer, which will cover, *inter alia*: • marketing strategy; • preparation of road show presentation and frequently asked questions • finalizing the list and division of investors for one-to-one meetings; and • finalizing road show and investor meeting schedule	All BRLMs	SBICAP
6.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • marketing strategy; • finalizing the list and division of investors for one-to-one meetings; and • finalizing road show and investor meeting schedule	All BRLMs	I-Sec
7.	Non-institutional and retail marketing of the Offer, which will cover, *inter alia*, • finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; • finalising centres for holding conferences for brokers, etc.; • follow-up on distribution of publicity and offer material including application form, the prospectus and deciding on the quantum of the offer material; and • finalising collection centres	All BRLMs	Axis
8.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	All BRLMs	SBICAP
9.	Managing the book and finalization of pricing in consultation with the Bank	All BRLMs	Axis
10.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Bank about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the initial and final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer	All BRLMs	SBICAP

Book Building Process

Book Building Process, in the context of the Offer, referred to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid Lot, was decided in compliance with SEBI ICDR Regulations, and was advertised, in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru editions of Vishwani, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/ Offer Opening Date and was made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price was determined in compliance with SEBI ICDR Regulations after the Bid/ Offer Closing Date. For details, see "*Offer Procedure*" on page 550.

All Bidders, except Anchor Investors, were mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount was blocked by SCSBs. In addition to this, the RIBs participated through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders were not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders (subject to the Bid Amount being up to ₹0.20 million) could revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors was on a discretionary basis.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

Bidder should note that, the Offer is also subject to (i) filing of the Prospectus with the RoC; and (ii) obtaining final listing and trading approvals of the Stock Exchanges, which our Bank has applied for as prescribed under applicable law. For details on the method and procedure for Bidding, see "*Offer Structure*", "*Terms of the Offer*" and "*Offer Procedure*" on pages 545, 539 and 550, respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure*" on page 550.

Underwriting Agreement

Our Bank and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated February 9, 2024. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten#	Amount Underwritten (₹ in million)
Axis Capital Limited 1st Floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Maharashtra, India **Telephone**: +91 22 4325 2183 **Email**: jana.ipo@axiscap.in	4,589,350	1,899.99
ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India **Telephone**: + 91 22 6807 7100 **Email**: jana.ipo@icicisecurities.com	4,589,350	1,899.99
SBI Capital Markets Limited 1501, 15th floor, A & B Wing, Parinee Crescenzo, G Block Bandra Kurla Complex, Bandra (East),	4,589,149	1,899.91

Name, Address, Telephone Number and Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten#	Amount Underwritten (₹ in million)
Mumbai 400 051, Maharashtra, India **Tel:** +91 22 4006 9807 **E-mail:** jana.ipo@sbicaps.com		
Investec Capital Services (India) Private Limited 1103-04, 11th Floor, B Wing Parinee Crescenzo Bandra Kurla Complex, Mumbai 400 051, Maharashtra, India **Tel**: + 91 22 6849 7400 **E-mail**: kunal.naik@investec.co.in **Website**: www.investec.com/india.html	100	0.04
SBICAP Securities Limited Marathon Futurex B Wing, Unit No. 1201, 12th Floor, N M Joshi Marg Lower Parel, Mumbai 400 013 Maharashtra, India **Tel**: + 91 22 6931 6204 **Email**: archana.dedhia@sbicapsec.com **Website**: www.sbisecurities.in	100	0.04
Total	**13,768,049**	**5,699.98**

This includes 326,086 Equity Shares aggregating to ₹135.00 million issued to Eligible Employees who submitted Bids in the Employee Reservation Portion

The abovementioned underwriting commitments are indicative and will be finalised after the finalisation of the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board, at its meeting held on February 9, 2024, has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Bank.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters are severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, is also required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Offer is as per the Underwriting Agreement.

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the respective Syndicate Members do not fulfil their underwriting obligations.

CAPITAL STRUCTURE

The share capital of our Bank, as on the date of this Prospectus, is set forth below:

(in ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value of ₹ 10 (₹)	Aggregate value at Offer Price*
A.	**AUTHORIZED SHARE CAPITAL(1) (5)**		
	135,000,000 Equity Shares of face value of ₹10 each	1,350,000,000	-
	450,000,000 preference shares of face value of ₹ 10 each	4,500,000,000	-
	Total	**5,850,000,000**	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER(5)**		
	93,430,855 Equity Shares of face value of ₹ 10 each	934,308,550	-
	Total	**934,308,550**	-
C.	**PRESENT OFFER**		
	Offer of 13,768,049#$ Equity Shares of face value of ₹10 each aggregating to ₹ 5,699.98# million (2)(3)	137,680,490	5,699,972,286
	of which		
	Fresh Issue of 11,159,420#$ Equity Shares of face value of ₹10 each aggregating to ₹4,620#* million(2)	111,594,200	4,619,999,880
	Offer for Sale of 2,608,629# Equity Shares of face value of ₹10 each aggregating to ₹1,079.98# million (3)	26,086,290	1,079,972,406
	which includes		
	Employee Reservation Portion of 326,086# Equity Shares of face value of ₹10 each (4)	3,260,860	134,999,604
	Net Offer of 13,441,963# Equity Shares of face value of ₹10 each	134,419,630	5,564,972,682
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER(5)**		
	104,590,275# Equity Shares of face value of ₹10 each (assuming full subscription in the Offer)	1,045,902,750	43,300,373,850
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		60,025,012,474.35
	After the Offer^		64,533,418,271.45

\# *Subject to finalisation of Basis of Allotment*

$ *The Offer Price is ₹414 per Equity Share. This includes 326,086 Equity Shares aggregating to ₹135.00 million to Eligible Employees who submitted Bids in the Employee Reservation Portion.*

* *Our Bank, in consultation with the BRLMs undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each aggregating to ₹ 121.54 million and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 1,009.99 million. The size of the Fresh Issue has been adjusted to ₹ 4,620.00 million.*

Our Bank had intimated the subscribers to the Pre-IPO Placement that our Bank is contemplating the Offer and that there is no guarantee that our Bank may proceed with the Offer, or that the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges, and the investment is being done solely at their own risk. For details, see "Capital Structure – Notes to the Capital Structure – Share Capital History of our Bank" on page 130.

^ *Not adjusted for expenses in relation to the Fresh Issue.*

(1) *For details in relation to the changes in the authorised share capital of our Bank, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association on page 335.*

(2) *The Offer has been authorized by our Board pursuant to a resolution passed on July 20, 2023 and the Fresh Issue has been approved by the Shareholders pursuant to a special resolution passed on July 26, 2023. Each of the Selling Shareholders have confirmed and authorised their respective participation in the Offer for Sale. Our Board has taken on record the Offer for Sale by the Selling Shareholders pursuant to its resolution dated July 29, 2023. Our Board of Directors has taken on record the revised Offer size on January 24, 2024. For further details, see "Other Regulatory and Statutory Disclosures" on page 524.*

(3) *Each Selling Shareholder, severally and not jointly, specifically confirms that its respective portion of the Offered Shares are eligible for being offered for sale in the Offer, in accordance with Regulation 8 of the SEBI ICDR Regulations. For details on the confirmation and authorization of each of the Selling Shareholders for their participation in the Offer for Sale, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 524.*

(4) *Eligible Employees bidding in the Employee Reservation Portion were required to ensure that the maximum Bid Amount did not exceed ₹ 0.50 million. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion did not exceed ₹ 0.20 million.*

(5) *In light of conversion of outstanding CCPS into Equity Shares on January 31, 2024, the Bank received a query from the RBI on February 5, 2024 regarding status of compliance with Section 12(1)(i) of the Banking Regulation Act, which requires that subscribed capital of our Bank is not less than one-half of the authorised capital. In response, the Bank has communicated to the RBI that (a) the Board of Directors of the Bank has through its resolution dated January 15, 2024 approved the reclassification of existing authorised preference share capital of the Bank into authorised equity capital (which is subject to approval of the shareholders of our Bank), and (b) necessary actions in relation to reclassification of authorised share capital will be initiated by the Bank immediately upon listing of the Equity Shares on the Stock Exchanges pursuant to the Offer.*

Notes to the Capital Structure

1. Share Capital History of our Bank

(a) ***Equity share capital***

The history of the equity share capital of our Bank is set forth in the table below:

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
November 10, 2006	10,000	Allotment of 10 Equity Shares to Raghunath Srinivasan and 9,990 Equity Shares to Janalakshmi Social Services	10	10	Cash	Initial subscription to the Memorandum of Association	10,000	100,000
November 10, 2006	136,500	Allotment of 136,500 Equity Shares to Janalakshmi Social Services.*	10	10	Other than cash	Further issue	146,500	1,465,000
	85,096	Allotment of 85,096 Equity Shares to Caspian Advisors Private Limited	10	260	Cash	Further issue	231,596	2,315,960
	103,500	Allotment of 103,500 Equity Shares to Janalakshmi Social Services	10	10	Cash	Further issue	335,096	3,350,960
March 31, 2008	107,212	Allotment of 44,229 Equity Shares to Michael and Susan Dell Foundation and 62,983 Equity Shares to Lok Capital LLC	10	260	Cash	Private placement	442,308	4,423,080
March 4, 2010	24,111	Allotment of 24,111 Equity Shares to Bellwether Micro Finance Fund Private Limited	10	1,537	Cash	Further issue	466,419	4,664,190
	120,241	Allotment of 12,055 Equity Shares to Narayan Ramachandran, 12,055 Equity Shares to Badri Narayan Pilinja, and 96,131 Equity Shares to Tree Line Asia	10	1,922	Cash	Further issue	586,660	5,866,600

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Master Fund (Singapore) Pte Ltd						
March 4, 2010	55,505	Allotment of 20,814 Equity Shares to Michael and Susan Dell Foundation and 34,691 Equity Shares to Bellwether Micro Finance Private Limited	10	1,441	Cash	Conversion of 800 CCPS	642,165	6,421,650
June 22, 2010	72,645	Allotment of 72,645 Equity Shares to Tree Line Asia Master Fund (Singapore) Pte Ltd	10	1,921.73	Cash	Conversion of 1,396 CCPS	714,810	7,148,100
On June 7, 2011, all 714,810 outstanding Equity Shares of face value of ₹10 each of the Bank were reclassified as 714,810 Class A Equity Shares of face value of ₹10 each.								
June 13, 2011	222,853	Allotment of 105 Class B Equity Shares to CVCIGP II Ajay Tandon Trust, 210 Class B Equity Shares to CVCIGP II Siva Shankar Trust, 79,891 Class B Equity Shares to CVCIGP II Employee Rosehill Limited and 142,647 Class B Equity Shares to CVCIGP II Client Rosehill Limited	10	1,958.01	Cash	Further issue	937,663	9,376,630
	47,830	Allotment of 23 Class C Equity Shares to CVCIGP II Ajay Tandon Trust, 45 Class C Equity Shares to CVCIGP II Siva Shankar Trust, 17,146 Class C Equity Shares to CVCIGP II	10	1,958.01	Cash	Further issue	985,493	9,854,930

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Employee Rosehill Limited and 30,616 Class C Equity Shares to CVCIGP II Client Rosehill Limited						
On July 12, 2012, all 222,853 outstanding Class B Equity Shares of face value of ₹10 each and all 47,830 outstanding Class C Equity Shares of face value of ₹10 each were reclassified as Class A Equity Shares of face value of ₹10 each, resulting in a total number of 985,493 outstanding Class A Equity Shares of face value of ₹10 each.								
July 12, 2012	127,788	Allotment of 60 Class A Equity Shares to CVCIGP II Ajay Tandon Trust, 121 Class A Equity Shares to CVCIGP II Siva Shankar Trust, 45,811 Class A Equity Shares to CVCIGP II Employee Rosehill Limited, and 81,796 Class A Equity Shares to CVCIGP II Client Rosehill Limited	10	1,110	Cash	Further issue	1,113,281	11,132,810
	327,513	Allotment of 16,376 Class A Equity Shares to Tree Line Asia Master Fund (Singapore) Pte Ltd, 27,292 Class A Equity Shares to Enam Shares and Securities Private Limited, 120,088 Class A Equity Shares to GAWA Microfinance Fund I and 163,757 Class A Equity Shares to India Financial Inclusion Fund	10	1,831.98	Cash	Further issue	1,440,794	14,407,940
	158,561	Allotment of 158,561 Class	10	10	Cash	Further issue	1,599,355	15,993,550

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		A Equity Shares to Janalakshmi Social Services						
August 14, 2013	296,095	Allotment of 296,095 Class A Equity Shares to Jana Urban Foundation	10	12.51	Cash	Rights issue	1,895,450	18,954,500
August 14, 2013	1,168,887	Allotment of 100 Class A Equity Shares to QRG Enterprises Limited, 49,243 Class A Equity Shares to India Financial Inclusion Fund, 84,856 Class A Equity Shares to CVCIGP II Employee Rosehill Limited, 151,512 Class A Equity Shares to CVCIGP II Client Rosehill Limited, 302,803 Class A Equity Shares to Alpha TC Holdings Pte Ltd and 580,373 Class A Equity Shares to MSPEA Platinum Pte Ltd	10	1,900	Cash	Further issue	3,064,337	30,643,370
August 14, 2013	18,422	Allotment of 9 Class A Equity Shares to CVCIGP II Ajay Tandon Trust, 17 Class A Equity Shares to CVCIGP II Siva Shankar Trust, 6,604 Class A Equity Shares to CVCIGP II Employee Rosehill	10	10	Cash	Conversion of 3,722,481 Class A CCPS, 2,084,822 Class B CCPS, 5,486 Class C CCPS, 2,743 Class D CCPS	3,082,759	30,827,590

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Limited and 11,792 Class A Equity Shares to CVCIGP II Client Rosehill Limited						
October 28, 2014	167,229	Allotment of 167,229 Class A Equity Shares to QRG Enterprises Limited	10	10	Cash	Conversion of 42,431,000 CCDs	3,249,988	32,499,880
November 10, 2014	964,330	Allotment of 100 Class A Equity Shares to QRG Enterprises Limited, 34,574 Class A Equity Shares to Global Financial Inclusion Fund, 129,660 Class Equity Shares to Alpha TC Holdings Pte Ltd, 178,379 Class A Equity Shares to MSPEA Platinum Pte Ltd and 621,617 Class A Equity Shares to TPG Asia VI SF Pte Ltd.	10	4,000	Cash	Private placement	4,214,318	42,143,180
November 11, 2014	101,910	Allotment of 101,910 Class A Equity Shares to Jana Urban Foundation	10	16.56	Cash	Rights issue	4,316,228	43,162,280
March 18, 2016	12	Allotment of 12 Class A Equity Shares to Jana Urban Foundation	10	10	Cash	Conversion of 24,729,130 Class B CCPS, 17,467,430 Class C CCPS, 9,672,741 Class D CCPS, 5,417,339 Class E CCPS, 280 Class G CCPS, 8,135,260 Class I CCPS, 11,192,030 Class H CCPS, and 39,002,120	4,316,240	43,162,400

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
						Class K CCPS		
April 13, 2016	1,144,350	Allotment of 18,309 Class A Equity Shares to Vallabh Bhanshali HUF, 62,745 Class A Equity Shares to QRG Enterprises Limited, 215,324 Class A Equity Shares to North Haven Private Equity Asia Platinum Pte Ltd, 423,986 Class A Equity Shares to TPG Asia VI SF Pte Ltd and 423,986 Class A Equity Shares to Caladium Investment Pte Ltd.	10	8,738.58	Cash	Private placement	5,460,590	54,605,900
April 13, 2016	201	Allotment of one Class A Equity Share to India Financial Inclusion Fund and 200 Class A Equity Shares to QRG Enterprises Limited	10	10	Cash	Conversion of 3,143,830 Class A CCPS, 50,000 Class F CCPS and 40,000 Class J CCPS	5,460,791	54,607,910
April 13, 2016	32,090	Allotment of 32,090 Class A Equity Shares to QRG Enterprises Limited	10	10	Cash	Conversion of 15,975,780 CCDs	5,492,881	54,928,810
March 27, 2017	21,971,524	Allotment of 660 Class A Equity Shares to Growth Partnership II Ajay Tandon Co-investment Trust, 1,596 Class A Equity Shares to Growth Partnership II Siva Shankar Co-investment Trust, 3,432 Class A Equity	10	NA	NA	Bonus issue of four Class A Equity Shares as bonus shares for every one Class A Equity Share	27,464,405	274,644,050

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Shares to Enam Securities Private Limited, 73,236 Class A Equity Shares to Vallabh Bhanshali HUF, 92,156 Class A equity hares to Badri Narayan Pilinja, 95,528 Class A equity Shares to Vallabh Bhanshali, 113,028 Class A Equity Shares to Global Financial Inclusion Fund, 196,976 Class A Equity Shares to India Financial Inclusion Fund, 442,408 Class A Equity Shares to Caladium Investment Pte Ltd, 608,028 Class A Equity Shares to QRG Enterprises Limited, 787,564 Class A Equity Shares to CVCIGP II Employee Rosehill Limited, 864,352 Class A Equity Shares to Tree Line Asia Master Fund (Singapore) Pte Ltd, 1,399,180 Class A Equity Shares to Alpha TC Holdings Pte Ltd, 1,406,204 Class A Equity Shares to Client Rosehill Limited,						

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		2,758,940 Class A Equity Shares to North Haven Private Equity Asia Platinum Pte Ltd, 2,766,860 Class A Equity Shares to TPG Asia VI SF Pte Ltd, and 10,361,376 Class A Equity Shares to Jana Holdings Limited.^ Each of the Class A Equity Shares of ₹10 each, allotted, were fully paid up						
January 10, 2018	8,528,475	Allotment of 108,413 Class A Equity Shares to Vallabh Bhanshali HUF, 144,550 Class A Equity Shares to QRG Enterprises Limited, 209,598 Class A Equity Shares to Caladium Investment Pte Ltd, 361,376 Class A Equity Shares to Bajaj Allianz General Insurance Company Limited, 361,376 Class A Equity Shares to Tree Line Asia Master Fund (Singapore) Pte Ltd, 361,376 Class A Equity Shares to ICICI Lombard General Insurance Company Limited, 722,752 Class A Equity	10	10	Cash	Conversion of 1,180,000,000 Class A CCPS	35,992,880	359,928,800

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Shares to North Haven Private Equity Asia Platinum Pte Ltd, 722,752 Class A Equity Shares to ICICI Prudential Life Insurance Company Limited, 845,620 Class A Equity Shares to TPG Asia VI SF Pte Ltd, 1,084,128 Class A Equity Shares to Bajaj Allianz Life Insurance Company Limited and 3,606,534 Class A Equity Shares to Jana Holdings Limited^						
January 16, 2018	1,850,246	Allotment of 22,923 Class A Equity Shares to HarbourVest Asia Pacific Fund VIII LP, 42,572 Class A Equity Shares to HarbourVest Asia Pacific VIII AIF LP, 49,122 Class A Equity Shares to HarbourVest Skew Base AIF LP, 104,793 Class A Equity Shares to HIPEP VIII Partnership AIF LP, 157,189 Class A Equity Shares to HIPEP VIII Partnership Fund LP, 163,739 Class A Equity Shares to HarbourVest Co-Investment Opportunities Fund LP,	10	1,383.60	Cash	Private placement	37,843,126	378,431,260

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		271,806 Class A Equity Shares to HarbourVest Partners Co-investment IV AIF LP and 1,038,102 Class A Equity Shares to HarbourVest Partners Co-Investment Fund IV LP						
March 27, 2018	1,445,504	Allotment of 361,376 Class A Equity Shares to ICICI Prudential Life Insurance Company Limited and 1,084,128 Class A Equity Shares to Jana Holdings Limited^	10	1,383.60	Cash	Private placement	39,288,630	392,886,300
August 29, 2018	2,213,428	Allotment of 9,962 Class A Equity Shares to HarbourVest Asia Pacific Fund VIII LP, 18,500 Class A Equity Shares to HarbourVest Asia Pacific VIII AIF LP, 21,347 Class A Equity Shares to HarbourVest Skew Base AIF LP, 45,540 Class A Equity Shares HIPEP VIII Partnership AIF LP, 68,309 Class A Equity Shares to HIPEP VIII Partnership Fund LP, 71,156 Class A Equity Shares to HarbourVest Co-investment Opportunities Fund LP, 216,774 Class A Equity	10	1,383.60	Cash	Private placement	41,502,058	415,020,580

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Shares to HarbourVest Partners Co-investment IV AIF LP, 469,789 Class A Equity Shares to The Maple Fund LP, 469,789 Class A Equity Shares to HarbourVest Co-invest 2017 Private Equity Partners LP and 822,262 Class A Equity Shares to HarbourVest Partners Co-investment Fund IV LP						
November 30, 2018	1,048,127	Allotment of 1,048,127 Class A Equity Shares to Jana Holdings Limited^	10	1,383.42	Cash	Rights issue	42,550,185	425,501,850
December 21, 2018	361,423	Allotment of 361,423 Class A Equity Shares to Jana Holdings Limited^	10	1,383.42	Cash	Rights issue	42,911,608	429,116,080
December 27, 2018	268,175	Allotment of 268,175 Class A Equity Shares to Jana Holdings Limited^	10	1,383.42	Cash	Rights issue	43,179,783	431,797,830
January 4, 2019	279,018	Allotment of 279,018 Class A Equity Shares to Jana Holdings Limited^	10	1,383.42	Cash	Rights issue	43,458,801	434,588,010
January 21, 2019	104,929	Allotment of 104,929 Class A Equity Shares to Jana Holdings Limited^	10	1,383.42	Cash	Rights issue	43,563,730	435,637,300
February 1, 2019	70,724	Allotment of 70,724 Class A Equity Shares to Jana Holdings Limited^	10	1,383.42	Cash	Rights issue	43,634,454	436,344,540
February	946,282	Allotment of	10	951.09	Cash	Rights issue	44,580,736	445,807,360

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
28, 2019		2,857 Class A Equity Shares to HarbourVest Asia Pacific Fund VIII LP, 5,306 Class A Equity Shares to HarbourVest Asia Pacific VIII AIF LP, 13,062 Class A Equity Shares to HIPEP VIII Partnership AIF LP, 19,593 Class A Equity Shares to HIPEP VIII Partnership Fund LP, 20,410 Class A Equity Shares to HarbourVest Co-investment Opportunities Fund LP, 23,511 Class A Equity Shares to ICICI Prudential Life Insurance Company Limited, 40,820 Class A Equity Shares to The Maple Fund LP, 40,820 Class A Equity Shares to HarbourVest Co-invest 2017 Private Equity Partners LP, 42,452 Class A Equity Shares to HarbourVest Partners Co-investment IV AIF LP, 81,631 Class A Equity Shares to QRG Enterprises Limited, 283,885 Equity Shares to TPG Asia VI SF Pte Ltd, 161,650 Class A Equity Shares to HarbourVest Partners Co-						

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		investment Fund IV LP and 210,285 Class A Equity Shares to Tree Line Asia Master Fund (Singapore) Pte Ltd.						
March 30, 2019	2,575,991	Allotment of 315,427 Class A Equity Shares to Hero Enterprise Partner Ventures and 2,260,564 Class A Equity Shares to Amansa Holdings Pte Limited	10	951.09	Cash	Private placement	47,156,727	471,567,270
October 30, 2019	2,365,705	Allotment of 3,030 Class A Equity Shares to HarbourVest Asia Pacific Fund VIII LP, 5,628 Class A Equity Shares to HarbourVest Asia Pacific VIII AIF LP, 13,854 Class A Equity Shares to HIPEP VIII Partnership AIF LP, 20,781 Class A Equity Shares to HIPEP VIII Partnership Fund LP, 21,647 Class A Equity Shares to HarbourVest Co-investment Opportunities Fund LP, 43,293 Equity Shares to The Maple Fund LP, 43,293 Class A Equity Shares to HarbourVest Co-invest 2017 Private Equity Partners LP, 45,025 Class A Equity Shares	10	951.09	Cash	Rights issue	49,522,432	495,224,320

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		to HarbourVest Partners Co-investment IV AIF LP, 171,447 Class A Equity Shares to HarbourVest Partners Co-investment Fund IV LP, 473,140 Class A Equity Shares to TPG Asia VI SF Pte Ltd and 1,524,567 Class A Equity Shares to Jana Holdings Limited^						
November 29, 2019	1,043,695	Allotment of 2,412 Class A Equity Shares to HarbourVest Asia Pacific VIII AIF LP, 5,937 Class A Equity Shares to HIPEP VIII Partnership AIF LP, 9,277 Class A Equity Shares to HarbourVest Co-investment Opportunities Fund LP, 18,554 Class A Equity Shares to The Maple Fund LP, 21,029 Class A Equity Shares to Jana Holdings Limited,^ 73,479 Class A Equity Shares to HarbourVest Partners Co-investment Fund IV LP and 893,711 Equity Shares to Amansa Holdings Pte Ltd	10	951.09	Cash	Rights issue	50,566,127	505,661,270
December 5, 2019	150,537	Allotment of 1,298 Class A Equity Shares	10	951.09	Cash	Rights issue	50,716,664	507,166,640

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		to HarbourVest Asia Pacific Fund VIII LP, 8,906 Class A Equity Shares to HIPEP VIII Partnership Fund LP, 18,554 Class A Equity Shares to HarbourVest Co-invest 2017 Private Equity Partners LP and 121,779 Class A Equity Shares to TPG Asia VI SF Pte Ltd						
January 31, 2020	1,939	Allotment of 229 Class A Equity Shares to Debdoot Banerjee, 262 Class A Equity Shares to Harnath Kummamuru, 289 Class A Equity Shares to Ananth Kumar MS, 509 Class A Equity Shares to Venkatesh Iyer S and 650 Class A Equity Shares to Ashwin Korana	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2018	50,718,603	507,186,030
May 12, 2020	7,806	Allotment of 7,228 Class A Equity Shares to Ajay Pareek and 578 Class A Equity Shares to Alexander John	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2018	50,726,409	507,264,090
August 13, 2020	431	Allotment of 431 Class A Equity Shares to VidyasagarBedida	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2018	50,726,840	507,268,400
November 6, 2020	417	Allotment of 417 Class A Equity Shares to Amit Raj Bakshi	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2018	50,727,257	507,272,570
On March 25, 2021, all 50,727,257 Class A Equity Shares were reclassified as 50,727,257 ordinary Equity Shares.								
September	1,031	Allotment of	10	10	Cash	Allotment	50,728,288	507,282,880

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
8, 2021		1031 Equity Shares to Ravi Duvvuru				pursuant to exercise of options under ESOP 2018		
November 12, 2021	841	Allotment of 841 Equity Shares to Sandeep Arora	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2017 and ESOP 2018	50,729,129	507,291,290
	434	Allotment of 434 Equity Shares to Amit Lamba	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2017 and ESOP 2018	50,729,563	507,295,630
January 31, 2022	423,308	Allotment of 423,308 Equity Shares to Jana Holdings Limited^	10	968.56	Cash	Preferential Issue	51,152,871	511,528,710
February 9, 2022	578	Allotment of 578 Equity Shares to Sandeep Arora	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2018	51,153,449	511,534,490
February 28, 2022	258,115	Allotment of 258,115 Equity Shares to Jana Holdings Limited^	10	968.56	Cash	Preferential Issue	51,411,564	514,115,640
May 17, 2022	5,205	Allotment of 5,205 Equity Shares to Ravi Duvvuru	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2018	51,416,769	514,167,690
	191	Allotment of 191 Equity Shares to Harnath Kummamuru	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2018	51,416,960	514,169,600
May 31, 2022	258,115	Allotment of 258,115 Equity Shares to Jana Holdings Limited^	10	968.56	Cash	Preferential Issue	51,675,075	516,750,750
June 30, 2022	861,252	Allotment of 861,252 Equity Shares to Jana Holdings Limited^	10	580.55	Cash	Rights issue	52,536,327	525,363,270
July 27, 2022	184,607	Allotment of 184,607 Equity Shares to ICICI Prudential Life Insurance Company	10	580.55	Cash	Rights issue	52,720,934	527,209,340
	120,458	Allotment 120,458 Equity Shares to Bajaj	10	580.55	Cash	Rights issue	52,841,392	528,413,920

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Allianz Life Insurance Company Limited						
	525,713	Allotment of 525,713 Equity Shares to Amansa Holdings Pte. Limited	10	580.55	Cash	Rights issue	53,367,105	533,671,050
July 29, 2022	164,370	Allotment of 164,370 Equity Shares to QRG Enterprises Limited	10	580.55	Cash	Rights issue	53,531,475	535,314,750
	378,950	Allotment of 378,950 Equity Shares to TPG Asia VI SF Pte Limited	10	580.55	Cash	Rights issue	53,910,425	539,104,250
	430,626	Allotment of 430,626 Equity Shares to Jana Holdings Limited^	10	580.55	Cash	Rights issue	54,341,051	543,410,510
August 5, 2022	51,676	Allotment of 51,676 Equity Shares to TPG Asia VI SF Pte. Limited	10	580.55	Cash	Rights issue	54,392,727	543,927,270
	237,309	Allotment of 237,309 Equity Shares to Harbourvest Partners Co-Investment Fund IV L.P	10	580.55	Cash	Rights issue	54,630,036	546,300,360
	62,323	Allotment of 62,323 Equity Shares to Harbourvest Partners Co-Investment IV AIF L.P	10	580.55	Cash	Rights issue	54,692,359	546,923,590
	7,377	Allotment of 7,377 Equity Shares to Harbourvest Skew Base AIF L.P.	10	580.55	Cash	Rights issue	54,699,736	546,997,360
	28,765	Allotment of 28,765 Equity Shares to HIPEP VIII Partnership Fund	10	580.55	Cash	Rights issue	54,728,501	547,285,010
	19,176	Allotment of 19,176 Equity Shares to HIPEP VIII	10	580.55	Cash	Rights issue	54,747,677	547,476,770

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Partnership AIF L.P.						
	4,195	Allotment of 4,195 Equity Shares to Harbourvest Asia Pacific Fund VIII L.P.	10	580.55	Cash	Rights issue	54,751,872	547,518,720
	7,790	Allotment of 7,790 Equity Shares to Harbourvest Asia Pacific VIII AIF L.P	10	580.55	Cash	Rights issue	54,759,662	547,596,620
	29,964	Allotment of 29,964 Equity Shares to Harbourvest Co-Investment Opportunities Fund L.P	10	580.55	Cash	Rights issue	54,789,626	547,896,260
	59,926	Allotment of 59,926 Equity Shares to HarbourVest Co-Invest 2017 Private Equity Partners L.P.	10	580.55	Cash	Rights issue	54,849,552	548,495,520
	59,926	Allotment of 59,926 Equity Shares to The Maple Fund L.P.	10	580.55	Cash	Rights issue	54,909,478	549,094,780
	17,226	Allotment of 17,226 Equity Shares to Sahil Jain	10	580.55	Cash	Rights issue	54,926,704	549,267,040
	34,451	Allotment of 34,451 Equity Shares to Ashwin P Kedia	10	580.55	Cash	Rights issue	54,961,155	549,611,550
	17,226	Allotment of 17,226 Equity Shares to Sachin Rashmikant Shah	10	580.55	Cash	Rights issue	54,978,381	549,783,810
August 5, 2022	253	Allotment of 253 Equity Shares to Pankaj Bhalla	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2018	54,978,634	549,786,340
	69	Allotment of 69 Equity Shares to Sandeep Arora	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2018	54,978,703	549,787,030
Details of allotments of Equity Shares made one year prior to date of filing of this Prospectus								
June 26,	936,841	Allotment of	10	302.98	Cash	Rights issue	55,915,544	55,915,5440

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
2023		936,841 Equity Shares to QRG Investments and Holdings Limited						
	32,259	Allotment of 32,259 Equity Shares to Vallabh Bhanshali	10	302.98	Cash	Rights issue	55,947803	559,478,030
	1,159	Allotment of 1,159 Equity Shares to Enam Securities Private Limited	10	302.98	Cash	Rights issue	55,948,962	559,489,620
	54,019	Allotment of 54,019 Equity Shares to Vallabh Bhanshali HUF	10	302.98	Cash	Rights issue	56,002,981	560,029,810
	349,099	Allotment of 349,099 Equity Shares to ICICI Prudential Life Insurance Company Limited	10	302.98	Cash	Rights issue	56,352,080	563,520,800
	165,027	Allotment of 165,027 Equity Shares to Ashwin Prakashchandra Kedia	10	302.98	Cash	Rights issue	56,517,107	565,171,070
	10,000	Allotment of 10,000 Equity Shares to Ravi Duvvuru	10	302.98	Cash	Rights issue	56,527,107	565,271,070
	156	Allotment of 156 Equity Shares to Alexander John	10	302.98	Cash	Rights issue	56,527,263	565,272,630
	113	Allotment of 113 Equity Shares to Amit Raj Bakshi	10	302.98	Cash	Rights issue	56,527,376	565,273,760
	17,774	Allotment of 17,774 Equity Shares to Sahil Jain	10	302.98	Cash	Rights issue	56,545,150	565,451,500
	17,774	Allotment of 17,774 Equity Shares to Sachin Rashmikant Shah	10	302.98	Cash	Rights issue	56,562,924	565,629,240
	446,314	Allotment of 446,314 Equity Shares to Tree Line Asia Master Fund	10	302.98	Cash	Rights issue	57,009,238	570,092,380

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		(Singapore) Pte. Ltd.						
	2,700,000	Allotment of 2,700,000 Equity Shares to Amansa Holdings Pte. Limited	10	302.98	Cash	Rights issue	59,709,238	597,092,380
	1,353,224	Allotment of 1,353,224 Equity Shares to Volrado Venture Partners Fund III-Beta	10	302.98	Cash	Rights issue	61,062,462	610,624,620
	1,660,000	Allotment of 1,660,000 Equity Shares to Anchorage Capital Scheme I	10	302.98	Cash	Rights issue	62,722,462	627,224,620
	45,791	Allotment of 45,791 Equity Shares to Singularity Growth Opportunities Fund I	10	302.98	Cash	Rights issue	62,768,253	627,682,530
	1,175,000	Allotment of 1,175,000 Equity Shares to OHM Investment Corporation	10	302.98	Cash	Rights issue	63,943,253	639,432,530
	970,000	Allotment of 970,000 Equity Shares to Ashish Kacholia	10	302.98	Cash	Rights issue	64,913,253	649,132,530
	970,000	Allotment of 970,000 Equity Shares to Bengal Finance and Investment Private Limited	10	302.98	Cash	Rights issue	65,883,253	658,832,530
	650,000	Allotment of 650,000 Equity Shares to Pivotal Enterprises Private Limited	10	302.98	Cash	Rights issue	66,533,253	665,332,530
	525,000	Allotment of 525,000 Equity Shares to Talwar Enterprises	10	302.98	Cash	Rights issue	67,058,253	670,582,530
	360,000	Allotment of 360,000 Equity Shares to Astralit	10	302.98	Cash	Rights issue	67,418,253	674,182,530

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Investment Private Limited						
	330,000	Allotment of 330,000 equiy shares to Anjana Projects Private Limited	10	302.98	Cash	Rights issue	67,748,253	677,482,530
	165,000	Allotment of 165,000 Equity Shares to Emerge Capital Opportunities Scheme	10	302.98	Cash	Rights issue	67,913,253	679,132,530
	165,000	Allotment of 165,000 Equity Shares to Antique Securities Private Limited	10	302.98	Cash	Rights issue	68,078,253	680,782,530
	160,000	Allotment of 160,000 Equity Shares to Uday Shah	10	302.98	Cash	Rights issue	68,238,253	682,382,530
	160,000	Allotment of 160,000 Equity Shares to Plutus Capital	10	302.98	Cash	Rights issue	68,398,253	683,982,530
	115,000	Allotment of 115,000 Equity Shares to Ramesh S Damani	10	302.98	Cash	Rights issue	68,513,253	685,132,530
	115,000	Allotment of 115,000 Equity Shares to Ruchira Damani	10	302.98	Cash	Rights issue	68,628,253	686,282,530
	95,000	Allotment of 95,000 Equity Shares to Gagan Chaturvedi	10	302.98	Cash	Rights issue	68,723,253	687,232,530
	95,000	Allotment of 95,000 Equity Shares to Neera Mishra	10	302.98	Cash	Rights issue	68,818,253	688,182,530
	80,000	Allotment of 80,000 Equity Shares to GDN Ventures LLP	10	302.98	Cash	Rights issue	68,898,253	688,982,530
	64,000	Allotment of 64,000 Equity Shares to Mridula Sanchety	10	302.98	Cash	Rights issue	68,962,253	689,622,530
	32,000	Allotment of 32,000 Equity Shares to Rashmi	10	302.98	Cash	Rights issue	68,994,253	689,942,530

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Karnani						
	32,000	Allotment of 32,000 Equity Shares to Binit Shah	10	302.98	Cash	Rights issue	69,026,253	690,262,530
	32,000	Allotment of 32,000 Equity Shares to Premal N Parikh	10	302.98	Cash	Rights issue	69,058,253	690,582,530
	32,000	Alotment of 32,000 Equity Shares to Priya Bhutra	10	302.98	Cash	Rights issue	69,090,253	690,902,530
	32,000	Allotment of 32,000 Equity Shares to Bimal Parikh	10	302.98	Cash	Rights issue	69,122,253	691,222,530
	32,000	Allotment of 32,000 Equity Shares to Rajiv Choksey	10	302.98	Cash	Rights issue	69,154,253	69,154,2530
	32,000	Allotment of 32,000 Equity Shares to Ankita Choksey	10	302.98	Cash	Rights issue	69,186,253	691,862,530
	16,000	Allotment of 16,000 Equity Shares to Vipul R Shah	10	302.98	Cash	Rights issue	69,202,253	692,022,530
	16,000	Allotment of 16,000 Equity Shares to Mayur Gathani	10	302.98	Cash	Rights issue	69,218,253	692,182,530
	16,000	Allotment of 16,000 Equity Shares to Evolute Ventures Private Limited	10	302.98	Cash	Rights issue	69,234,253	692,342,530
	16,000	Allotment of 16,000 Equity Shares to Parag Mehta	10	302.98	Cash	Rights issue	69,250,253	692,502,530
	16,000	Allotment of 16,000 Equity Shares to Paras Mehta	10	302.98	Cash	Rights issue	69,266,253	692,662,530
	11,500	Allotment of 11,500 Equity Shares to Prashant N Sheth	10	302.98	Cash	Rights issue	69,277,753	692,777,530
	6,500	Allotment of 6,500 Equity Shares to Ketan Shah	10	302.98	Cash	Rights issue	69,284,253	692,842,530
	495,082	Allotment of 495,082 Equity	10	302.98	Cash	Rights issue	69,779,335	697,793,350

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Shares to Chankya Corporate Services Private Limited						
	50,000	Allotment of 50,000 Equity Shares to Shobha Parvathaneni	10	302.98	Cash	Rights issue	69,829,335	698,293,350
July 31, 2023	660,110	Allotment of 660,110 Equity Shares to Dovetail	10	302.98	Cash	Conversion of 20,000,000 CCPS	70,489,445	704,894,450
	33,005	Allotment of 33,005 Equity Shares to Deepak Talwar	10	302.98	Cash	Conversion of 1,000,000 CCPS	70,522,450	705,224,500
	1,749,290	Allotment of 1,749,290 Equity Shares to Volrado	10	302.98	Cash	Conversion of 53,000,000 CCPS	72,271,740	722,717,400
	1,254,208	Allotment of 1,254,208 Equity Shares to Singularity	10	302.98	Cash	Conversion of 38,000,000 CCPS	73,525,948	735,259,480
October 19, 2023	77	Allotment of 77 Equity Shares to Sandeep Jain	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2018	73,526,025	735,260,250
	151	Allotment of 151 Equity Shares to Abhilash Sandur	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2018	73,526,176	735,261,760
	139	Allotment of 139 Equity Shares to Qutubuddin Abdulla Ginwala	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2018	73,526,315	735,263,150
	344	Allotment of 344 Equity Shares to Buvanesh Tharashankar	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2018	73,526,659	735,266,590
	413	Allotment of 413 Equity Shares to Usha Sonavaria	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2018	73,527,072	735,270,720
	6,940	Allotment of 6,940 Equity Shares to Sumit Aggarwal	10	10	Cash	Allotment pursuant to exercise of RSUs under the ESOP 2017	73,534,012	735,340,120
November 20, 2023	206	Allotment of 206 Equity Shares to	10	10	Cash	Allotment pursuant to exercise of	73,534,218	735,342,180

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Narasimha Murthy Gudimetla				options under the ESOP 2018		
	780	Allotment of 780 Equity Shares to Rincoo Ji Vachha	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,534,998	735,349,980
	1,311	Allotment of 1,311 Equity Shares to Ashish Gopal Saxena	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,536,309	735,363,090
	518	Allotment of 518 Equity Shares to Pradeep James Rebello	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,536,827	735,368,270
	207	Allotment of 207 Equity Shares to Mahalingam Ramachandran	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,537,034	735,370,340
	325	Allotment of 325 Equity Shares to Suchira Goho	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,537,359	735,373,590
	74	Allotment of 74 Equity Shares to Lakshmi R N	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,537,433	735,374,330
	2,937	Allotment of 2,937 Equity Shares to Gopal Tripathi	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,540,370	735,403,700
	1,192	Allotment of 1,192 Equity Shares to Rajesh Rao	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,541,562	735,415,620
	206	Allotment of 206 Equity Shares to Sarit Razdan	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,541,768	735,417,680
	52	Allotment of 52 Equity Shares to Sunil Anil Kannojia	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,541,820	735,418,200
	206	Allotment of 206 Equity Shares to Vivek Shivdayal Vishwakarma	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,542,026	735,420,260
	253	Allotment of 253 Equity	10	10	Cash	Allotment pursuant to	73,542,279	735,422,790

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Shares to Prasanth P R				exercise of options under the ESOP 2018		
	1,609	Allotment of 1,609 Equity Shares to Sudhir Madhavan	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,543,888	735,438,880
	276	Allotment of 276 Equity Shares to Narendra K	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,544,164	735,441,640
	1,413	Allotment of 1,413 Equity Shares to Krishnan Subramania Raman	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,545,577	735,455,770
	104	Allotment of 104 Equity Shares to Avi Bajaj	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,545,681	735,456,810
	414	Allotment of 414 Equity Shares to Satish G R	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,546,095	735,460,950
	206	Allotment of 206 Equity Shares to Giridhar Amerla	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,546,301	735,463,010
	103	Allotment of 103 Equity Shares to Anubhav Goel	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,546,404	735,464,040
	393	Allotment of 393 Equity Shares to Chitra Menon	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,546,797	735,467,970
	513	Allotment of 513 Equity Shares to Pradeep G	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,547,310	735,473,100
	779	Allotment of 779 Equity Shares to Balaji K	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,548,089	735,480,890
	267	Allotment of 267 Equity Shares to Digvijoy Pratap Singh	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,548,356	735,483,560
	65	Allotment of 65	10	10	Cash	Allotment	73,548,421	735,484,210

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Equity Shares to Stalin K R				pursuant to exercise of options under the ESOP 2018		
	118	Allotment of 118 Equity Shares to Abhilash Sandur	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,548,539	735,485,390
	130	Allotment of 130 Equity Shares to Vasundhara K	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,548,669	735,486,690
	206	Allotment of 206 Equity Shares to Alok Kumar Ranjan	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,548,875	735,488,750
	206	Allotment of 206 Equity Shares to Sushil Kumar	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,549,081	735,490,810
	206	Allotment of 206 Equity Shares to Koodal Kumaran Sailappan	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,549,287	735,492,870
	530	Allotment of 530 Equity Shares to Ranvijay Pratap	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,549,817	735,498,170
	69	Allotment of 69 Equity Shares to Innocent J J	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,549,886	735,498,860
	582	Allotment of 582 Equity Shares to Ramnath Sivasubramanian	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,550,468	735,504,680
	206	Allotment of 206 Equity Shares to Vimal Saroha	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2018	73,550,674	735,506,740
	75,411	Allotment of 75,411 Equity Shares to Ajay Kanwal	10	10	Cash	Allotment pursuant to exercise of options under the ESOP 2017	73,626,085	736,260,850
December 7, 2023	5,211	Allotment of 5,211 Equity Shares to Ajay Kanwal	10	10	Cash	Allotment pursuant to exercise of options under	73,631,296	736,312,960

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
						ESOP 2017		
	172	Allotment of 172 Equity Shares to Shrinivas Murty J	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2018	73,631,468	736,314,680
	206	Allotment of 206 Equity Shares to Anand Ganpat Adhav	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2018	73,631,674	736,316,740
	320	Allotment of 320 Equity Shares to Saurav Shekhar Dasgupta	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2018	73,631,994	736,319,940
	206	Allotment of 206 Equity Shares to Rajneesh Sharma	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2018	73,632,200	736,322,000
January 15, 2024	7,407	Allotment of 7,407 Equity Shares to Ajay Kanwal	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2017	73,639,607	736,396,070
	206	Allotment of 206 Equity Shares to Harwinder Cheema Pritam Singh	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2018	73,639,813	736,398,130
	103	Allotment of 103 Equity Shares to Mantosh Gupta	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2018	73,639,916	736,399,160
	103	Allotment of 103 Equity Shares to Sheel Gandhi	10	10	Cash	Allotment pursuant to exercise of options under ESOP 2018	73,640,019	736,400,190
January 19, 2024	603,864	Allotment of 603,864 Equity Shares to SBI General Insurance Company Limited	10	414	Cash	Private placement	74,243,883	742,438,830
	483,091	Allotment of 483,091 Equity Shares to Kotak Mahindra Life Insurance Company Limited	10	414	Cash	Private placement	74,726,974	747,269,740
	362,318	Allotment of 362,318 Equity Shares to Ananta Capital	10	414	Cash	Private placement	75,089,292	750,892,920

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Ventures Fund 1						
	48,309	Allotment of 48,309 Equity Shares to Aziza Malik Family Trust	10	414	Cash	Private placement	75,137,601	751,376,010
	48,309	Allotment of 48,309 Equity Shares to Madhu Silica Private Limited	10	414	Cash	Private placement	75,185,910	751,859,100
	36,232	Allotment of 36,232 Equity Shares to Arka Nxt Ventures	10	414	Cash	Private placement	75,222,142	752,221,420
	36,232	Allotment of 36,232 Equity Shares to Navatris Investments	10	414	Cash	Private placement	75,258,374	752,583,740
	24,154	Allotment of 24,154 Equity Shares to Dhhoot Industrial Finance Ltd	10	414	Cash	Private placement	75,282,528	752,825,280
	24,153	Allotment of 24,153 Equity Shares to Anil Singhvi	10	414	Cash	Private placement	75,306,681	753,066,810
	96,619	Allotment of 96,619 Equity Shares to Mc Jain Infoservices Private Limited	10	414	Cash	Private placement	75,403,300	754,033,000
	120,772	Allotment of 120,772 Equity Shares to Capri Global Holdings Private Limited	10	414	Cash	Private placement	75,524,072	755,240,720
	24,154	Allotment of 24,154 Equity Shares to RPM Ventures Partners (Rahul Sharma)	10	414	Cash	Private placement	75,548,226	755,482,260
	24,154	Allotment of 24,154 Equity Shares to Polisetty Shyam Sundar	10	414	Cash	Private placement	75,572,380	755,723,800
	169,082	Allotment of 169,082 Equity Shares to LC Pharos Multi Strategy Fund VCC – SF1	10	414	Cash	Private placement	75,741,462	757,414,620

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
	169,082	Allotment of 169,082 Equity Shares to Negen Undiscovered Value Fund	10	414	Cash	Private placement	75,910,544	759,105,440
	169,082	Allotment of 169,082 Equity Shares to S Four Capital (Shikar Raj)	10	414	Cash	Private placement	76,079,626	760,796,260
January 31, 2024	3,966,209	Allotment of 3,966,209 Equity Shares to Hero Enterprise Partner Ventures	10	414	Cash	Conversion of 42,901,858 CCPS	80,045,835	800,458,350
	220,119	Allotment of 220,119 Equity Shares to VLS Finance Limited	10	414	Cash	Conversion of 2,380,952 CCPS	80,265,954	802,659,540
	600,325	Allotment of 600,235 Equity Shares Globe Capital Market Limited	10	414	Cash	Conversion of 6,493,506 CCPS	80,866,279	808,662,790
	144,451	Allotment of 144,451 Equity Shares to Amer Investments (Delhi) Limited	10	414	Cash	Conversion of 1,562,500 CCPS	81,010,730	810,107,300
	1,155,609	Allotment of 1,155,609 Equity Shares to Ananta Capital Ventures Fund 1	10	414	Cash	Conversion of 12,500,000 CCPS	82,166,339	821,663,390
	144,451	Allotment of 144,451 Equity Shares to Bengal Rubber Company Limited	10	414	Cash	Conversion of 1,562,500 CCPS	82,310,790	823,107,900
	2,889,023	Allotment of 2,889,023 Equity Shares to Bharti (Satya) Family Trust	10	414	Cash	Conversion of 31,250,000 CCPS	85,199,813	851,998,130
	288,902	Allotment of 288,902 Equity Shares to Central India Industries Limited	10	414	Cash	Conversion of 3,125,000 CCPS	85,488,715	854,887,150
	722,256	Allotment of 722,256 Equity	10	414	Cash	Conversion of 7,812,500	86,210,971	862,109,710

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Shares to Elpro International Limited				CCPS		
	361,128	Allotment of 361,128 Equity Shares to Par Solar Private Limited	10	414	Cash	Conversion of 3,906,250 CCPS	86,572,099	865,720,990
	1,444,511	Allotment of 1,444,511 Equity Shares to Puran Associates Private Limited	10	414	Cash	Conversion of 15,625,000 CCPS	88,016,610	880,166,100
	288,902	Allotment of 288,902 Equity Shares to Ranchi Enterprises and Properties Ltd.	10	414	Cash	Conversion of 3,125,000 CCPS	88,305,512	883,055,120
	837,184	Allotment of 837,184 Equity Shares to Shikhar Raj	10	414	Cash	Conversion of 9,055,653 CCPS	87,911,886	879,118,860
	144,451	Allotment of 144,451 Equity Shares to Universal Trading Company Limited	10	414	Cash	Conversion of 1,562,500 CCPS	89,287,147	892,871,470
	26,414	Allotment of 26,414 Equity Shares to P Deepak	10	414	Cash	Conversion of 285,714 CCPS	89,313,561	893,135,610
	105,055	Allotment of 105,055 Equity Shares to Dhankalash Distributors Private Limited	10	414	Cash	Conversion of 1,136,363 CCPS	89,418,616	894,186,160
	377,441	Allotment of 377,441 Equity Shares to Neelanchal Edifice LLP (formerly known as NABS Vriddhii LLP)	10	414	Cash	Conversion of 4,082,706 CCPS	89,796,057	897,960,570
	19,402	Allotment of 19,402 Equity Shares to Tarak Bhikhalal Madhani HUF	10	414	Cash	Conversion of 209,871 CCPS	89,815,459	898,154,590
	26,414	Allotment of 26,414 Equity Shares to Bijoy Paulose	10	414	Cash	Conversion of 285,714 CCPS	89,841,873	898,418,730
	25,969	Allotment of	10	414	Cash	Conversion of	89,867,842	898,678,420

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		25,969 Equity Shares to Genesis Exprts Ltd				280,898 CCPS		
	26,414	Allotment of 26,414 Kurugod Setra Mayurnath	10	414	Cash	Conversion of 285,715 CCPS	89,894,256	898,942,560
	26,339	Allotment of 26,339 Wizworth Invest)	10	414	Cash	Conversion of 284,900 CCPS	89,920,595	899,205,950
	26,339	Allotment of 26,339 Equity Shares to Valluru Venkat Ruthvik Reddy	10	414	Cash	Conversion of 284,900 CCPS	89,946,934	899,469,340
	3,082,772	Allotment of 3,082,772 Equity Shares to TPG Asia VI SF Pte. Ltd.	10	389.26	Cash	Conversion of 120,000,000 CCPS	93,029,706	930,297,060
	271,000	Allotment of 271,000 Equity Shares to Nishi K	10	302.98	Cash	Conversion of 8,210,758 CCPS	93,300,706	933,007,060
	20,000	Allotment of 20,000 Equity Shares to K S Raman	10	302.98	Cash	Conversion of 605,960 CCPS	93,320,706	933,207,060
	10,000	Allotment of 10,000 Equity Shares to Sumit Aggarwal	10	302.98	Cash	Conversion of 302,980 CCPS	93,330,706	933,307,060
	1,200	Allotment of 1,200 Equity Shares to Rincoo Vachha	10	302.98	Cash	Conversion of 36,358 CCPS	93,331,906	933,319,060
	6,600	Allotment of 6,600 Equity Shares to Shrinivas Murty	10	302.98	Cash	Conversion of 199,967 CCPS	93,338,506	933,385,060
	9,000	Allotment of 9,000 Equity Shares to Sudhir Madhavan	10	302.98	Cash	Conversion of 272,682 CCPS	93,347,506	933,475,060
	3,299	Allotment of 3,299 Equity Shares to Pradeep Rebello	10	302.98	Cash	Conversion of 99,983 CCPS	93,350,805	933,508,050
	27,650	Allotment of 27,650 Equity Shares to Gopal Tripathi	10	302.98	Cash	Conversion of 837,740 CCPS	93,378,455	933,784,550
	8,000	Allotment of 8,000 Equity Shares to M	10	302.98	Cash	Conversion of 242,384 CCPS	93,386,455	933,864,550

Date of allotment #	Number of Equity Shares allotted	Details of Allottees	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		Ramachandran						
	1,650	Allotment of 1,650 Equity Shares to Chitra Menon	10	302.98	Cash	Conversion of 49,992 CCPS	93,388,105	933,881,050
	15,000	Allotment of 15,000 Equity Shares to Ashish Saxena	10	302.98	Cash	Conversion of 454,470 CCPS	93,403,105	934,031,050
	9,000	Allotment of 9,000 Equity Shares to Rajesh Rao	10	302.98	Cash	Conversion of 272,682 CCPS	93,412,105	934,121,050
	6,600	Allotment of 6,600 Equity Shares to Satish Ramachandran	10	302.98	Cash	Conversion of 199,967 CCPS	93,418,705	934,187,050
	1,650	Allotment of 1,650 Equity Shares to Abhilash Sandur	10	302.98	Cash	Conversion of 49,992 CCPS	93,420,355	934,203,550
	3,000	Allotment of 3,000 Equity Shares to Amit Bakshi	10	302.98	Cash	Conversion of 90,894 CCPS	93,423,355	934,233,550
	7,500	Allotment of 7,500 Equity Shares to Tamal B	10	302.98	Cash	Conversion of 227,235 CCPS	93,430,855	934,308,550
Total	**93,430,855**						**93,430,855**	**934,308,550**

* *As Janalakshmi Social Services had incurred a sum aggregating ₹2.60 million toward pre-incorporation/ pre-operative capital expenditure, our Bank, pursuant to a resolution of the Board dated November 10, 2006, approved allotment of Equity Shares up to an amount of ₹1.37 million in lieu of reimbursement of the expenditure.*

^ *Jana Holdings Limited is our Promoter.*

\# *Corporate secretarial records and other records in relation to certain allotments are not traceable. For details, see "Risk Factors - There have been irregularities in certain regulatory filings made by us with the RoC under applicable law. Further, certain of our statutory and regulatory records are untraceable. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Bank in the future in relation to such missing corporate records or irregular filings." on page 43.*

(b) ***Preference share capital***

As of the date of this Prospectus, our Bank does not have any outstanding preference share capital.

2. Issue of Equity Shares or Preference Shares at a price lower than the Offer Price in the last year

(a) Except for the allotment of Equity Shares as disclosed above in the "*Notes to the Capital Structure – Equity share capital*" on page 130, our Bank has not issued any Equity Shares in the preceding one year below the Offer Price.

None of the abovementioned allottees, to whom shares have been allotted in the last year, are part of the Promoter Group of the Bank.

3. Issue of Equity Shares for consideration other than cash or out of revaluation of reserves

(a) Our Bank has not issued any Equity Shares out of revaluation of reserves since its incorporation.

(b) Except as stated below, our Bank has not issued any Equity Shares for consideration other than cash, as of the date of this Prospectus:

Date of allotment	No. of Equity Shares allotted	Face Value per Equity Share (₹)	Issue price (₹)	Reason for allotment	Benefits accrued to our Bank	Allottee
November 10, 2006	136,500	10	10	Further Issue	Adjustment of pre-incorporation expenses incurred	Janalakshmi Social Services

4. Issue of Equity Shares pursuant to schemes of arrangement

Our Bank has not allotted any Equity Shares pursuant to a scheme of amalgamation approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, or Sections 391-394 of the Companies Act, 1956.

5. History of the equity share capital held by our Promoters

JCL and JHL are the Promoters of our Bank. JCL, along with its nominees, holds 100% of the issued and paid-up share capital of JHL.

As on the date of this Prospectus, JHL, holds 23,575,790 Equity Shares equivalent to 25.20% of the pre-Offer issued, subscribed, and paid-up equity share capital of our Bank, on a fully diluted basis. Following the Offer, our Promoters will hold 22.52% of our Post-Offer paid-up equity share capital on a fully diluted basis. While JCL does not directly hold any Equity Shares in the Bank as on the date of this Prospectus, all such Equity Shares are presently held by JHL, and therefore indirectly by JCL.

For further details, see "*Our Promoters and Promoter Group - Shareholding pattern of JCL*" on page 365.

6. Build-up of the shareholding of our Promoters in our Bank

The details regarding the equity shareholding of our Promoters, JCL and JHL, since incorporation of our Bank is set forth in the table below:

Date of allotment/transfer and date on which Equity Shares were made fully paid-up^	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face Value per Equity Share (₹)	Offer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
JCL							
March 31, 2016	Transfer from JUF to JCL	1,137,746	Cash	10	10	1.22	1.09
August 19, 2016	Transfer from Enam Securities Private Limited to JCL	26,434	Cash	10	6,612	0.03	0.03
August 24, 2016	Transfer from QRG Enterprises Limited to JCL	164,783	Cash	10	6,612	0.18	0.16
August 25, 2016	Transfer from V.S. Radhakrishnan to JCL	1	Cash	10	6,333	Negligible	0.00
August 25, 2016	Transfer from North Haven Private Equity Asia Platinum Pte Ltd to JCL	225,735	Cash	10	8,739	0.24	0.22
September 9, 2016	Transfer from TPG Asia VI SF Pte Ltd	517,818	Cash	10	8,739	0.55	0.50
September 9, 2016	Transfer from Caladium Investment Pte Ltd to JCL	517,818	Cash	10	8,739	0.55	0.50
September 14, 2016	Transfer from Raghunath Srinivasan to JCL	9	Cash	10	6,333	Negligible	0.00
September 15, 2016	Transfer to JHL#	(2,590,344)	Cash	10	4,747.74	(2.77)	(2.48)
Total (A)		-				-	
JHL							
September 15, 2016	Transfer from JCL to JHL	2,590,344	Cash	10	4,747.74	2.77	2.48
March 27, 2017	Bonus issue to JHL	10,361,376	NA	10	NA	11.09	9.91
January 10, 2018	Allotment to JHL pursuant to conversion of CCPS	3,606,534	Cash	10	10	3.86	3.45
March 27, 2018	Preferential allotment to	1,084,128	Cash	10	1,383.60	1.16	1.04

Date of allotment/transfer and date on which Equity Shares were made fully paid-up^	Nature of transaction	No. of Equity Shares allotted/ transferred	Nature of consideration	Face Value per Equity Share (₹)	Offer Price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
	JHL						
October 4, 2018	Transfer from North Haven Private Equity Asia Platinum Pte Ltd to JHL	24,000	Cash	10	1,383.42	0.03	0.02
November 30, 2018	Rights issue	1,048,127	Cash	10	1,383.42	1.12	1.00
December 21, 2018	Rights issue	361,423	Cash	10	1,383.42	0.39	0.35
December 27, 2018	Rights issue	268,175	Cash	10	1,383.42	0.29	0.26
January 4, 2019	Rights issue	279,018	Cash	10	1,383.42	0.30	0.27
January 21, 2019	Rights issue	104,929	Cash	10	1,383.42	0.11	0.10
February 1, 2019	Rights issue	70,724	Cash	10	1,383.42	0.08	0.07
October 30, 2019	Rights issue	1,524,567	Cash	10	951.09	1.63	1.46
November 29, 2019	Rights issue	21,029	Cash	10	951.09	0.02	0.02
January 31, 2022	Preferential Issue	423,308	Cash	10	968.56	0.45	0.40
February 28, 2022	Preferential Issue	258,115	Cash	10	968.56	0.28	0.25
May 31, 2022	Preferential Issue	258,115	Cash	10	968.56	0.28	0.25
June 30, 2022	Rights issue	861,252	Cash	10	580.55	0.92	0.82
July 29, 2022	Rights issue	430,626	Cash	10	580.55	0.46	0.41
Total (B)		**23,575,790**				**25.23**	**22.54**
Total (A+B)		**23,575,790**				**25.23**	**22.54**

\# *The entire shareholding of JCL in our Bank was transferred to JHL.*

^ *With respect to the build-up of the shareholding of the Promoters in our Bank, reliance has been placed on the register of members of the Bank, demat account statements of our Promoters, regulatory filings with the RBI, share transfer forms, where available, and confirmations provided by our Promoters. In the past, there have been inconsistencies and irregularities in the regulatory filings made by us. For details, see "Risk Factors – There have been irregularities in certain regulatory filings made by us with the RoC under applicable law. Further, certain of our statutory and regulatory records are untraceable. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Bank in the future in relation to such missing corporate records or irregular filings." on page 43.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment or transfer of such Equity Shares.

Except as disclosed below, none of the Equity Shares held by our Promoters are pledged or otherwise encumbered as on the date of this Prospectus. It is clarified that the Equity Shares forming part of the Promoters' Contribution (defined below) are not subject to any pledge as on the date of this Prospectus.

One of our Promoters, JHL, had pledged 861,273 Equity Shares in favour of Catalyst Trusteeship Limited as collateral for certain debentures and payments issued and owed, pursuant to the terms of the (i) agreement dated March 26, 2018 amongst our Bank, JHL and Catalyst Trusteeship Limited acting as the debenture trustee for Edelweiss Capital Limited ("**Existing Pledge Arrangement I**"), and (ii) agreement dated February 3, 2022 entered into amongst our Bank, JHL and Catalyst Trusteeship Limited acting as the debenture trustee for TPG Asia VI India Market Pte. Ltd ("**Existing Pledge Arrangement II**").

Further, pursuant to the terms of the agreement dated May 25, 2023 entered into amongst our Bank, JHL and Catalyst Trusteeship Limited ("**Pledge Arrangement**"), JHL has undertaken to pledge its entire shareholding in our Bank ("**JHL Shareholding**") in favour of Catalyst Trusteeship Limited acting as the debenture trustee for certain debenture holders. However, the pledge on 251,005 Equity Shares, created for the benefit of Edelweiss Capital Limited under the Existing Pledge Arrangement I, was released on August 14, 2023, due to the redemption of underlying debentures. Further, our Bank has obtained a no-objection certificate from Catalyst Trusteeship Limited dated July 27, 2023 pursuant to which (i) existing pledge on 610,268 Equity Shares created for the benefit of TPG Asia Market pursuant to Existing Pledge Arrangement II, was released on January 19, 2024 and (ii) new pledge on the Equity Shares held by JHL, to be created pursuant to the Pledge Arrangement for the benefit of TPG Asia Market, will be created within two days after the expiration of lock-in periods for minimum promoters' contribution and promoters' holding in excess of minimum promoters' contribution as prescribed under Regulations 14 and 16 of SEBI ICDR Regulations, respectively. As of the date of this Prospectus, none of the Equity Shares held by the Promoters in the Bank are subject to any pledge. For further details, see "- *Details of Promoters' Contribution and lock-in*" and "*Risk Factors – JHL, one of our Promoters, has undertaken to pledge 23,575,790 Equity Shares held by it in our Bank, which will become effective within two days of expiry of the relevant lock-in period prescribed under Regulations 14 and 16 of the SEBI ICDR Regulations. Any invocation of a pledge would lead to a reduction in shareholding of our Promoters and could decrease our Promoter's influence over our Bank. In addition, a rapid sale of such Equity Shares could result in a* *material decrease in the market price of the Equity Shares."* on pages 165 and 92.

Our Promoters do not hold any Preference Shares as of the date of this Prospectus.

7. **Details of Promoters' Contribution and lock-in**

i. Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Bank held by our Promoters (assuming exercise of all vested employee stock options and units, if any, under the ESOP 2018 and the ESOP 2017 and RSU 2018 and RSU 2017), shall be locked in for a period of eighteen months as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**") and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer equity share capital (assuming exercise of all vested employee stock options and units, if any, under the ESOP 2018 and the ESOP 2017 and RSU 2018 and RSU 2017) shall be locked in for a period of six months from the date of Allotment. Our Promoters have given consent to include such number of Equity Shares held by them in compliance with the above requirement.

ii. Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as minimum Promoters' Contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up*	Nature of transaction	Face Value per Equity Share (₹)	Offer/ Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)**	Date up to which Equity Shares are subject to lock-in
JHL*	2,590,344	September 15, 2016	Transfer from JCL to JHL	10	4,747.74	2.77	2.47	August 13, 2025
	10,361,376	March 27, 2017	Bonus issue to JHL	10	NA	11.08	9.90	
	3,606,534	January 10, 2018	Allotment to JHL pursuant to conversion of CCPS	10	10	3.86	3.44	
	1,084,128	March 27, 2018	Preferential allotment to JHL	10	1,383.60	1.16	1.04	
	24,000	October 4, 2018	Transfer from North Haven Private Equity Asia Platinum Pte Ltd to JHL	10	1,383.42	0.03	0.02	
	1,048,127	November 30, 2018	Rights Issue	10	1,383.42	1.12	1.00	
	361,423	December 21, 2018	Rights Issue	10	1,383.42	0.39	0.35	
	268,175	December 27, 2018	Rights Issue	10	1,383.42	0.29	0.26	
	279,018	January 4, 2019	Rights Issue	10	1,383.42	0.30	0.27	
	104,929	January 21, 2019	Rights Issue	10	1,383.42	0.11	0.10	
	70,724	February 1, 2019	Rights Issue	10	1,383.42	0.08	0.07	
	1,141,222	October 30, 2019	Rights Issue	10	951.09	1.22	1.09	
Total	**20,940,000**					22.39	20.00	

* *All Equity Shares allotted to JHL were fully paid-up at the time of allotment.*

** In accordance with Regulation 16 of the SEBI ICDR Regulations.

iii. Our Bank undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

iv. In this connection, our Bank confirms the following:

a) The Equity Shares offered for Promoters' Contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash, where revaluation of assets or capitalisation of intangible assets was involved in such transaction, or (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Bank or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of minimum Promoters' Contribution.

b) The minimum Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer.

c) Our Bank has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.

d) The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge. For details, see "- *Build-up of the shareholding of our Promoters in our Bank*" on page 163.

e) All the Equity Shares held by JHL are in dematerialised form.

v. Other lock-in requirements:

a) In addition to the 20% of the fully diluted post-Offer shareholding of our Bank held by our Promoter locked in for eighteen months as specified above, pursuant to Regulations 16(1)(b) and 17 of the SEBI ICDR Regulations the entire pre-Offer equity share capital of our Bank, will be locked-in for a period of six months from the date of Allotment, except for (i) the Equity Shares offered and successfully transferred pursuant to the Offer for Sale; and (ii) any Equity Shares held by the eligible employees (whether currently employees or not and including the legal heirs or nominees of any deceased employees or ex-employees) of our Bank which have been or will be allotted to them under the Bank's ESOP 2018, RSU 2018, ESOP 2017 and RSU 2017 prior to the Offer, except as required under applicable law. For details, see "*Offer Procedure*" on page 550.

b) Any unsubscribed portion of the Offer for Sale, except for the Equity Shares which are successfully transferred as a part of the Offer for Sale will be locked-in as required under Regulation 17 of the SEBI ICDR Regulations. For details, see "*Offer Procedure*" on page 550.

c) Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution from the date of filing the Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations. For details, see "- *Build-up of the shareholding of our Promoters in our Bank*" on page 163.

d) Further, pursuant to the SFB Licensing Guidelines, our Promoters' minimum initial contribution to the paid-up Equity Share capital of our Bank is required to be at least 40% which is required to be held for a period of five years from the date of commencement of business. Our Promoters are required to reduce their shareholding to 26.00% of our paid-up Equity Share Capital or voting rights after the completion of 15 years from the commencement of our business operations (i.e., by March 9, 2033), as per the Reserve Bank of India Guidelines on Acquisition and Holding of Shares dated January 16, 2023 read with Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023. During the period prior to the completion of 15 years, our Promoters may be allowed to hold a higher percentage of shareholding as part of the licensing conditionsor as part of the shareholding dilution plan submitted by our Bank and approved by the RBI with such conditions as it deems fit as described in "*Key Regulations and Policies*" on page 313.

e) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked- in for a period of 30 days from the date of Allotment.

f) As required under Regulation 20 of the SEBI ICDR Regulations, our Bank shall ensure that details of the Equity Shares locked-in are recorded by the relevant Depository.

8. **Shareholding Pattern of our Bank**

The table below presents the equity shareholding pattern of our Bank as on the date of this Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held of face value of ₹10 each (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)*		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights		Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(A)	**Promoters and Promoter Group**	1	23,575,790	-	-	23,575,790	25.23	23,575,790	-	25.23	-	25.23	-	-	-	-	23,575,790
(B)	**Public**	173	69,855,065	-	-	69,855,065	74.77	69,855,065	-	74.77	-	74.77	-	-	-	-	69,855,065
(C)	**Non Promoters - Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Shares underlying DRs**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

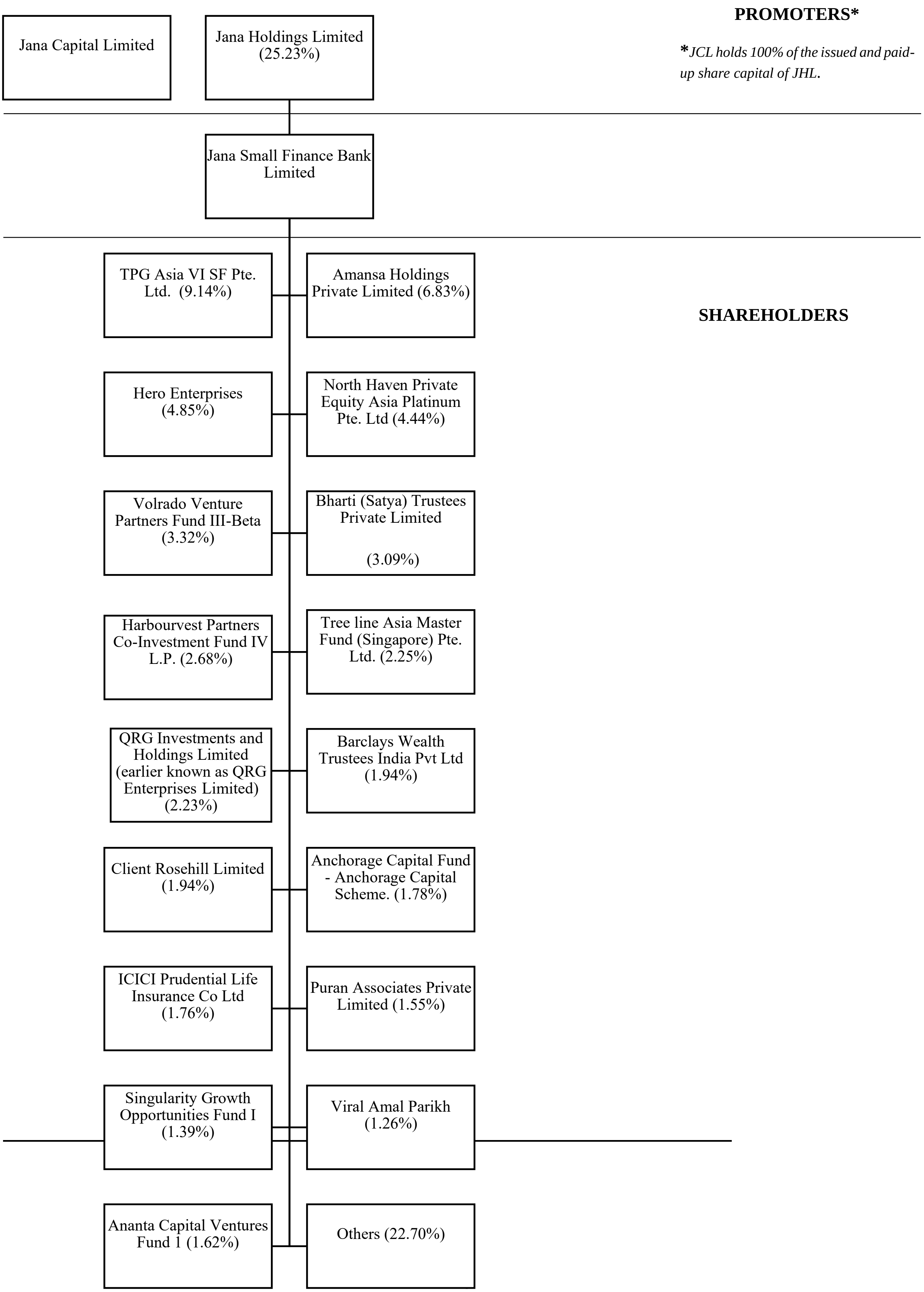
Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held of face value of ₹10 each (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)*		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights		Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	174	93,430,855	-	-	93,430,855	100.00	93,430,855	-	100.00	-	100.00	-	-	-	-	93,430,855

* One of our Promoters, JHL, has entered into an agreement dated May 25, 2023 pursuant to which all its shareholding in our Bank will be subject to creation of pledge within two days post the expiration of the minimum lock-in period as prescribed under the SEBI ICDR Regulations. For details, see *"- Build-up of the shareholding of our Promoters in our Bank"* on page 163.

** As per the Banking Regulations Act read with gazette notification dated DBR.PSBD.No.1084/16.13.100/2016-17 dated July 21, 2016, no shareholder in a banking company can exercise voting rights on poll in excess of 26% of total voting rights of all the shareholders of the Bank.

*** Our Bank had 282,154,044 Preference Shares which were converted into 17,351,229 Equity Shares For details of the allottees, see "Capital Structure – Notes to the Capital Structure – Share Capital History of our Bank – Equity share capital" on page 130.

Set forth below is the diagrammatic representation of the shareholding pattern of our Bank as on the date of this Prospectus:



Details of Equity Shareholding of the major Shareholders of our Bank

(i) The Equity Shareholders holding 1% or more of the paid-up equity share capital of the Bank and the number of Equity Shares held by them as on the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage of the pre-Offer Equity Share capital (%) ^
1.	Jana Holdings Limited	23,575,790	25.23%
2.	TPG Asia VI SF Pte. Ltd	8,539,897	9.14%
3.	Amansa Holdings Pte. Ltd	6,379,988	6.83%
4.	Hero Enterprise Partner Ventures	4,527,856	4.85%
5.	North Haven Private Equity Asia Platinum Pte. Ltd	4,147,427	4.44%
6.	Volrado Venture Partners Fund III-Beta	3,102,514	3.32%
7.	Bharti (Satya) Trustees Private Limited	2,889,023	3.09%
8.	Harbourvest Partners Co-Investment Fund IV L.P.	2,504,249	2.68%
9.	Tree line Asia Master Fund (Singapore) Pte. Ltd.	2,098,415	2.25%
10.	QRG Investments and Holdings Limited	2,087,427	2.23%
11.	Barclays Wealth Trustees India Pvt Ltd	1,815,301	1.94%
12.	Client Rosehill Limited	1,812,554	1.94%
13.	Anchorage Capital Scheme I	1,660,000	1.78%
14.	ICICI Prudential Life Insurance Company Ltd	1,641,345	1.76%
15.	Puran Associates Private Limited	1,444,511	1.55%
16.	Singularity Growth opportunities fund I	1,299,999	1.39%
17.	Bajaj Allianz Life Insurance Company Ltd	1,204,586	1.29%
18.	OHM Investment Corporation (Viral Amal Parikh)	1,175,000	1.26%
19.	Ananta Capital Ventures Fund 1	1,517,927	1.62%
20.	Ashish Kacholia	950,484	1.02%
21.	Shikhar Raj	1,006,266	1.08%
22.	Bengal Finance & Investment Pvt. Ltd.	970,000	1.04%
23.	CVCI GP II Employee Rosehill Limited	929,656	1.00%
Total		**77,280,215**	**82.71%**

^ *Based on the beneficiary position statement dated February 9, 2024. The percentage of the equity share capital has been calculated on the basis of total Equity Shares held by a shareholder.*

* *After conversion of 282,154,044 Preference Shares. For details of the allottees, see "Capital Structure – Notes to the Capital Structure – Share Capital History of our Bank – Equity share capital" on page 130.*

(ii) The Equity Shareholders who held 1% or more of the paid-up equity share capital of the Bank and the number of Equity Shares held by them 10 days prior to the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage (%) of total shareholding	Number of Equity Shares assuming conversion of Preference Shares	Percentage of the pre-Offer Equity Share capital (%)^
1.	Jana Holdings Limited	23,575,790	32.02	23,575,790	25.99
2.	TPG Asia VI SF Pte. Ltd	5,457,125	7.41	8,539,897	9.42
3.	Amansa Holdings Pte. Ltd	6,379,988	8.66	6,379,988	7.03
4.	Hero Enterprise Partner Ventures	561,647	0.76	5,251,284	5.79
5.	North Haven Private Equity Asia Platinum Pte. Ltd	4,147,427	5.63	4,147,427	4.57
6.	Volrado Venture Partners Fund III-Beta	3,102,514	4.21	3,102,514	3.42
7.	Bharti (Satya) Trustees Private Limited	0	0.00	2,830,468	3.12
8.	Harbourvest Partners Co-Investment Fund IV L.P.	2,504,249	3.40	2,504,249	2.76
9.	Tree line Asia Master Fund (Singapore) Pte. Ltd.	2,098,415	2.85	2,098,415	2.31
10.	QRG Investments and Holdings Limited	2,087,427	2.83	2,087,427	2.30
11.	Barclays Wealth Trustees India Pvt Ltd	1,815,301	2.47	1,815,301	2.00
12.	Client Rosehill Limited	1,812,554	2.46	1,812,554	2.00
13.	Anchorage Capital Scheme I	1,660,000	2.25	1,660,000	1.83
14.	ICICI Prudential Life Insurance Company Ltd	1,641,345	2.23	1,641,345	1.81
15.	Puran Associates Private Limited	0	0.00	1,415,234	1.56
16.	Singularity Growth opportunities fund I	1,299,999	1.77	1,299,999	1.43
17.	Bajaj Allianz Life Insurance Company	1,204,586	1.64	1,204,586	1.33

Sr. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage (%) of total shareholding	Number of Equity Shares assuming conversion of Preference Shares	Percentage of the pre-Offer Equity Share capital (%)^
	Ltd				
18.	OHM Investment corporation (Viral Amal Parikh)	1,175,000	1.60	1,175,000	1.30
19.	Ananta Capital Ventures Fund 1	0	0.00	1,132,187	1.25
20.	Ashish Kacholia	958,520	1.30	958,520	1.06
21.	Bengal Finance & Investment Pvt. Ltd.	970,000	1.32	970,000	1.07
22.	CVCI GP II Employee Rosehill Limited	929,656	1.26	929,656	1.02
23.	Caladium Investment Pte. Ltd	762,608	1.04	762,608	0.84
Total		**63,197,111**	**86.12**	**77,294,449**	**85.22**

^ *Based on the beneficiary position statement dated January 30, 2024. The percentage of the equity share capital has been calculated on the basis of total Equity Shares held by a shareholder assuming conversion of the Preference Shares.*

* *Our Bank had 282,154,044 outstanding Preference Shares. For the terms of the Preference Shares, see "History and Certain Corporate Matters" on page 334.*

(iii) The Equity Shareholders who held 1% or more of the paid-up equity share capital of our Bank and the number of Equity Shares held by them one year prior to the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage (%) of total shareholding	Number of Equity Shares assuming conversion of Preference Shares	Percentage of the pre-Offer Equity Share capital (%)^
1.	Jana Holdings Limited	23,575,790	42.88	23,575,790	34.46
2.	Hero Enterprise Partner Ventures	561,647	1.02	10,909,130	15.95
3.	TPG Asia VI SF Pte. Ltd	5,457,125	9.93	8,539,897	12.48
4.	North Haven Private Equity Asia Platinum Pte. Ltd	4,147,427	7.54	4,147,427	6.06
5.	Amansa Holdings Pte. Ltd	3,679,988	6.69	3,679,988	5.38
6.	HarbourVest Partners Co-Investment Fund IV L.P.	2,504,249	4.55	2,504,249	3.66
7.	Client Rosehill Limited	1,757,755	3.20	1,757,755	2.57
8.	Alpha TC Holdings Pte Ltd	1,748,975	3.18	1,748,975	2.56
9.	Tree line Asia Master Fund (Singapore) Pte. Ltd.	1,652,101	3.00	1,652,101	2.42
10.	ICICI Prudential Life Insurance Company Ltd	1,292,246	2.35	1,292,246	1.89
11.	Bajaj Allianz Life Insurance Company Ltd	1,204,586	2.19	1,204,586	1.76
12.	QRG Investments and Holdings Limited (earlier known as QRG Enterprises Limited)	1,150,586	2.09	1,150,586	1.68
13.	CVCI GP II Employee Rosehill Limited	984,455	1.79	984,455	1.44
14.	Caladium Investment Pte. Ltd	762,608	1.39	762,608	1.11
15.	HarbourVest Partners Co-Investment IV AIF L.P.	657,676	1.20	657,676	0.96
16.	HarbourVest Co-Invest 2017 Private Equity Partners L.P.	632,382	1.15	632,382	0.92
17.	The Maple Fund L.P.	632,382	1.15	632,382	0.92
Total		**50,479,538**	**91.8295.31**	**63,909,793**	**96.23**

^ *Based on the beneficiary position statement dated February 8, 2023. The percentage of the Equity Share capital has been calculated on the basis of total Equity Shares held by a shareholder and such number of Equity Shares which would have resulted from the conversion of the Preference Shares held by such shareholder.*

* *Our Bank had 270,000,000 outstanding Preference Shares. For the terms of the Preference Shares, see "History and Certain Corporate Matters" on page 334.*

(iv) The Equity Shareholders who held 1% or more of the paid-up equity share capital of the Bank and the number of Equity Shares held by them two years prior to the date of this Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage (%) of total shareholding	Number of Equity Shares assuming conversion of Preference Shares	Percentage of the pre-Offer Equity Share capital (%)^
1.	Jana Holdings Limited	21,344,374	42.07	21,344,374	36.42

Sr. No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage (%) of total shareholding	Number of Equity Shares assuming conversion of Preference Shares	Percentage of the pre-Offer Equity Share capital (%)^
2.	Hero Enterprise Partner Ventures	561,647	1.11	8,442,441	14.40
3.	TPG Asia VI SF Pte. Ltd	5,026,499	9.91	5,026,499	8.58
4.	North Haven Private Equity Asia Platinum Pte. Ltd	4,147,427	8.18	4,147,427	7.08
5.	Amansa Holdings Pte. Ltd	3,154,275	6.22	3,154,275	5.38
6.	HarbourVest Partners Co-Investment Fund IV L.P.	2,266,940	4.47	2,266,939	3.87
7.	Client Rosehill Limited	1,757,755	3.46	1,757,755	3.00
8.	Alpha TC Holdings Pte Ltd	1,748,975	3.45	1,748,975	2.98
9.	Tree line Asia Master Fund (Singapore) Pte. Ltd.	1,652,101	3.26	1,652,101	2.82
10.	ICICI Prudential Life Insurance Company Ltd	1,107,639	2.18	1,107,639	1.89
11.	Bajaj Allianz Life Insurance Company Ltd	1,084,128	2.14	1,084,128	1.85
12.	QRG Investments and Holdings Limited (earlier known as QRG Enterprises Limited)	986,216	1.94	986,216	1.68
13.	CVCI GP II Employee Rosehill Limited	984,455	1.94	984,455	1.68
14.	Caladium Investment Pte. Ltd	762,608	1.50	762,608	1.30
15.	HarbourVest Partners Co-Investment IV AIF L.P.	595,353	1.17	595,353	1.02
16.	HarbourVest Co-Invest 2017 Private Equity Partners L.P.	572,456	1.13	572,456	0.98
17.	The Maple Fund L.P.	572,456	1.13	572,456	0.98
Total		**48,325,304**	**95.26**	**56,206,097**	**95.90**

^ *Based on the beneficiary position statement dated February 8, 2022. The percentage of the Equity Share capital has been calculated on the basis of total Equity Shares held by a shareholder and such number of Equity Shares which would have resulted from the conversion of the Preference Shares held by such shareholder, assuming conversion on the date two years prior to the filing of this Prospectus.*

* *Our Bank had 150,000,000 outstanding Preference Shares. For the terms of the Preference Shares, see "History and Certain Corporate Matters" on page 334.*

Details of Equity Shares held by our Promoters, our Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel and directors of our Promoters

i. Our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel and directors of our Promoters do not hold any Equity Shares, or employee stock options or restricted stock units under ESOP 2017, RSU 2017, ESOP 2018 and RSU 2018 in our Bank other than as disclosed below:

Name	No. of Equity Shares of face value of ₹ 10 each	Options under ESOP 2017	Stock units under RSU 2017	Options under ESOP 2018	Stock units under RSU 2018	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer of equity share capital (%)
Promoters and Promoter Group							
JHL	23,575,790	Nil	Nil	Nil	Nil	25.23	22.54
Directors							
Ajay Kanwal	88,029	567,647	24,511	Nil	Nil	0.73	0.65
Krishnan Subramania Raman	21,413	89,294	Nil	18,851	906	0.14	0.12
Key Managerial Personnel							
Abhilash Sandur	1,919	18,080	Nil	14,336	Nil	0.04	0.03
Lakshmi R N	74	210	Nil	4,867	Ni	0.01	0.00
Senior Management Personnel							
Sumit Aggarwal	16,940	104,103	3,470	14,263	Nil	0.15	0.13
Gopal Tripathi	30,587	13,048	Nil	29,110	1,102	0.08	0.07
Rincoo Ji Vachha	1,980	10,514	Nil	24,148	70	0.04	0.04
Sudhir	10,609	7,886	Nil	22,607	206	0.04	0.04

Name	No. of Equity Shares of face value of ₹ 10 each	Options under ESOP 2017	Stock units under RSU 2017	Options under ESOP 2018	Stock units under RSU 2018	Percentage of the pre-Offer equity share capital (%)	Percentage of the post-Offer of equity share capital (%)
Madhavan							
Ashish Gopal Saxena	16,311	Nil	Nil	29,767	258	0.05	0.04
Rajesh Rao	10,192	Nil	Nil	32,584	208	0.05	0.04
Shrinivas Murty J	6,772	10,325	Nil	10,668	344	0.03	0.03
Satish G R	7,014	2,629	Nil	7,630	Nil	0.02	0.02
Mahalingam Ramachandran	8,207	2,629	Nil	7,438	Nil	0.02	0.02
Chitra Menon	2,043	526	Nil	9,625	Nil	0.01	0.01
Amit Bakshi	3,530	26,334	Nil	2,333	7,435	0.04	0.04
Pradeep James Rebello	3,817	Nil	Nil	12,799	Nil	0.02	0.02
Total	**23,805,227**	**853,225**	**27,981**	**241,026**	**10,529**	**26.69**	**23.84**

ii. Set out below are the details of the Equity Shares held by our Promoters, directors of our Promoters and the members of our Promoter Group in our Bank:

Name	No. of Equity Shares of face value of ₹10 each	Percentage of the pre-Offer equity share Capital (%)
Promoters and Promoter Group		
JHL	23,575,790	25.23
Directors of our Promoter		
Nil		
Total	**23,575,790**	**25.23**

9. Except for ICICI Prudential Life Insurance Company Limited and ICICI Lombard General Insurance Company Limited, who are associates of one of the BRLMs in terms of Regulation 21 A of the SEBI Merchant Bankers Regulations, namely, ICICI Securities Limited, holding 1,641,345 Equity Shares and 361,376 Equity Shares respectively, aggregating 1.76% and 0.39% of the pre-Offer equity share capital of the Bank, respectively, none of the BRLMs or their respective associates, as defined in Regulation 21 A of the SEBI Merchant Bankers Regulations hold any Equity Shares in our Bank as on the date of this Prospectus.

10. There are no partly paid-up Equity Shares as on the date of this Prospectus and all Equity Shares were fully paid-up as on the date of allotment.

11. Other than as disclosed in this section, our Bank has not made any public or rights issue of any kind or class of securities since its incorporation.

12. Other than as disclosed in this section, our Bank has not made any bonus issue of any kind or class of securities since its incorporation.

13. None of the members of our Promoter Group, directors of our Promoters, our Directors, or their relatives have purchased or sold any securities of our Bank during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

14. As of the date of the filing of this Prospectus, our Bank has 174 shareholders.

15. Our Bank, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares.

16. All Equity Shares issued pursuant to the Offer will be fully paid-up at the time of Allotment.

17. Except the (i) Equity Shares allotted pursuant to the Offer and (ii) exercise of vested employee stock options or restricted stock units, if any, granted under the ESOP 2018, RSU 2018, ESOP 2017 and RSU 2017, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this Prospectus until the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer.

18. Our Bank shall ensure that all transactions in specified securities by our Promoters and members of our Promoter Group between the date of filing of the Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

19. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, the directors of our Promoters, our Directors, and their relatives have financed the purchase by any other person of securities of our Bank other than in the normal course of the business of the financing entity, during a period of six months preceding the date of filing of the Draft Red Herring Prospectus and this Prospectus.

20. Our Bank presently does not intend or propose and is not under negotiations or considerations to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under the Offer; and (b) any issuance pursuant to the exercise of vested employee stock options or restricted stock units, if any under the ESOP 2018, RSU 2018, ESOP 2017 and RSU 2017.

21. Except as disclosed in this section, as on the date of this Prospectus, there are no other outstanding convertible securities or any other right granted by the Bank which would entitle any person any option to receive Equity.

22. ESOP

ESOP 2018

Our Bank has, pursuant to the resolutions passed by the Board on March 27, 2018 and Shareholders on April 4, 2018, adopted the ESOP 2018. The ESOP 2018 was subsequently amended pursuant to the Board and Shareholders dated August 13, 2020 and March 25, 2021, respectively. The Board and Shareholders have adopted the amended ESOP schemes pursuant to the resolutions passed in meetings dated July 20, 2023 and July 26, 2023 respectively.

The Bank may grant an aggregate number of up to 2,023,697 employee stock options in one or more tranches under the ESOP 2018. Upon exercise and payment of the exercise price, the option holder will be entitled to be allotted one Equity Share per employee stock option. Accordingly, the number of Equity Shares that may be issued under the ESOP 2018 shall not exceed 2,023,697 Equity Shares. The objectives of the ESOP 2018 are, among others, to attract and retain employees with employee stock options as a compensation tool. Through the ESOP 2018, our Bank intends to offer an opportunity of sharing the value created with those employees who have contributed or are expected to contribute to the growth and development of our Bank.

RSU 2018

Further, the Bank has adopted the Restricted Stock Units – 2018 ("**RSU 2018**"), which is a part of the ESOP 2018. The terms and conditions set out in the ESOP 2018 apply *mutatis mutandis* to the RSU 2018, and any RSU grants made under the RSU 2018 shall be made in accordance with the ESOP 2018. The grants made under the RSU 2018 are made from the ESOP 2018 pool of options.

ESOP 2017

Our Bank, pursuant to the resolutions passed by the Board on June 27, 2017 and Shareholders on June 30, 2017, adopted the ESOP 2017. The ESOP 2017 was subsequently amended pursuant to the Board and Shareholders dated August 13, 2020 and March 25, 2021, respectively. The Board and Shareholders have adopted the amended ESOP schemes pursuant to the resolutions passed in meetings dated July 20, 2023 and July 26, 2023 respectively.

The maximum number of options available for grant under the ESOP 2017 is 5% of the paid-up capital of the Bank. Upon exercise and payment of the exercise price, the option holder will be entitled to be allotted one Equity Share per employee stock option. Accordingly, the number of Equity Shares that may be issued under the ESOP 2017 shall not exceed 5% (i.e., 1,867,579 equity options) of the paid-up capital of the Bank. The objectives of the ESOP 2017 are, among others, to attract and retain the talented human resources by offering them the opportunity to acquire a continuing equity interest in the Bank. Through the ESOP 2017, our Bank intends to offer an opportunity for investment in the Bank's common stock in recognition of their efforts to grow and build the Bank.

RSU 2017

Further, the Bank has adopted the Restricted Stock Units – 2018 ("**RSU 2017**"), which is a part of the ESOP 2017. The terms and conditions set out in the ESOP 2017 apply *mutatis mutandis* to the RSU 2017, and any RSU grants made under the RSU 2017 shall be made in accordance with the ESOP 2017. The grants made under the RSU 2017 are made from employee stock option pool set out in the ESOP 2017.

The ESOP 2018 and ESOP 2017, each as amended, have been framed in compliance with the SEBI SBEB Regulations. The details of the ESOP 2018, the RSU 2018, the ESOP 2017 and the RSU 2017, as certified by JHS & Associates LLP, are as follows:

Particulars	Details

Options granted

Financial Year	ESOP 2017	RSU 2017	ESOP 2018	RSU 2018	Grand Total
2020-2021	25,512	1,041	-	1,041	27,594
2021-2022	186,094	17,688	1,815	9,189	214,786
2022-2023	4,546	16,088	470,215	16,349	507,198
April 1, 2023 – till September 30, 2023	47,383	-	-	14,619	62,002
October 1, 2023 till the date of this Prospectus	1,089,943	13,121	923,410	688	1,459,515

Exercise price on options (in ₹)

Financial Year	ESOP 2017	RSU 2017	ESOP 2018	RSU 2018
2020-2021	960.59	10	960.59	10
2021-2022	960.59 and 968.56	10	960.59 and 968.56	10
2022-2023	960.59, 968.56 and 580.55	10	960.59, 968.56 and 580.55	10
April 1, 2023 – till September 30, 2023	302.98, 580.55	Nil	Nil	10
October 1, 2023 till the date of this Prospectus	302.98	10	302.98	10

Note: Post March 31, 2023, the exercise price for ESOP 2017 and ESOP 2018 was changed to ₹302.98 as per Board and Shareholder resolutions dated July 20, 2023 and July 26, 2023, respectively.

Vesting period

Financial Year	ESOP 2017	ESOP 2018	RSU 2017	RSU 2018
2020-2021	25% after one year from the date of grant; 25% after two years from the date of grant; 25% after three years from the date of grant; and Balance 25% after four years from the date of grant		One year from the date of grant.	
2021-2022				
2022-2023				
April 1, 2023 – September 30, 2023				
October 1, 2023 till the date of this Prospectus				

** For the voluntary forfeiture of options in October 2023 by employees under ESOP 2017 and ESOP 2018, the vesting schedule for the new options issued against this forfeiture will be is as per below:*

For the unvested options as on date of voluntary forfeiture, the vesting period will be as per below

a) for all options having the vesting date below one year on the date of revised grant letter, the new vesting period will be one year

b) for options with vesting date which beyond one year on the date of revised grant letter, the new vesting period will be such date as mentioned in the old grant letter

Options vested and not exercised

Financial Year	ESOP 2017	RSU 2017	ESOP 2018	RSU 2018
2020-2021	694,834	141,103	62,034	13,615
2021-2022	798,301	180,921	71,083	10,926
2022-2023	763,621	78,881	152,487	12,573
April 1, 2023 – September 30, 2023	912,086	78,881	212,114	21,529
October 1, 2023 till the date of this Prospectus	71,423	-	25,838	8,045

Options exercised

Financial Year	ESOP 2017	RSU 2017	ESOP 2018	RSU 2018
2020-2021	-	-	-	8,654
2021-2022	-	841	-	2,043
2022-2023	-	-	-	5,718
April 1, 2023 – September 30, 2023	-	-	-	-
October 1, 2023 till the date of this Prospectus	-	94,969	-	19,102

The total number of Equity Shares arising as a result of exercise of options

Financial Year	ESOP 2017	RSU 2017	ESOP 2018	RSU 2018
2020-2021	25,512.00	1,041.00	-	1,041.00
2021-2022	186,094.00	17,688.00	1,815.00	9,189.00
2022-2023	4,546.00	16,088.00	470,215.00	16,349.00
April 1, 2023 –	47,383	-	-	14,619

Particulars	Details

September 30, 2023				
October 1, 2023 till the date of this Prospectus	1,089,943	13,121	923,410	688

Options forfeited/lapsed/cancelled

Financial Year	ESOP 2017	RSU 2017	ESOP 2018	RSU 2018
2020-2021	264,693	-	110,893	1,500
2021-2022	177,478	-	69,896	1,687
2022-2023	248,793	1,041	116,113	3,147
April 1, 2023 – September 30, 2023	120,443	-	87,973	11,141
October 1, 2023 till the date of this Prospectus	1,084,472	-	590,662	-

Variation in terms of options

For the years ended March 31, 2021, March 31, 2022, March 31, 2023, there were no variations in terms of options
From April 1, 2023 till September 30, 2023, the exercise price for ESOP 2017 and ESOP 2018 has been changed to ₹302.98 as per Board and Shareholder resolutions dated July 20, 2023 and July 26, 2023, respectively.
From October 1, 2023 till the date of this Prospectus:
* For the voluntary forfeiture of options by employees in October 2023 under ESOP 2017 and ESOP 2018, the vesting schedule for the new options issued against this forfeiture is as per below:
For the unvested options as on date of voluntary forfeiture, the vesting period will be as per below:

a) for all options having the vesting date below one year on the date of revised grant letter, the new vesting period will be one year
b) for options with vesting date which beyond one year on the date of revised grant letter, the new vesting period will be such date as mentioned in the old grant letter

Money realized by exercise of options

Financial Year	ESOP 2017	RSU 2017	ESOP 2018	RSU 2018
2020-2021	-	-	-	86,540
2021-2022	-	8,410	-	20,430
2022-2023	-	-	-	57,180
April 1, 2023 – September 30, 2023	-	-	-	-
October 1, 2023 till the date of this Prospectus	-	949,690	-	191,020

Total number of options in force as of the date of this Prospectus

Financial Year	ESOP 2017	RSU 2017	ESOP 2018	RSU 2018
2020-2021	1,451,448	63,075	393,039	14,656
2021-2022	1,460,064	79,922	324,958	20,115
2022-2023	1,215,817	94,969	679,060	27,599
As on September 30, 2023	1,142,757	94,969	591,087	31,076
As on the date of this Prospectus	1,204,614	13,121	942,858	22,868

Employee-wise detail of options granted to:

i. Key managerial personnel and Senior Management Personnel

Name of key managerial personnel and senior managerial personnel	Options under ESOP 2017	Stock units under RSU 2017	Options under ESOP 2018	Stock units under RSU 2018
Sumit Aggarwal	208,206	10,410	18,526	-
Krishnan Subramania Raman	178,588	-	27,702	2,319
Gopal Tripathi	26,251	-	48,410	4,039
Rincoo Ji Vachha	21,028	-	38,296	850
Sudhir Madhavan	15,772	-	38,214	1,815
Ashish Gopal Saxena	-	-	49,534	1,569
Ajay Kanwal	567,647	-	-	-
Abhilash Sandur	19,657	-	18,672	269
Rajesh Rao	-	-	45,168	1,400
Shrinivas Murty J	-	-	15,836	516
Mahalingam Ramachandran	5,258	-	9,376	207
Chitra Menon	1,052	-	12,750	393
Lakshmi R N	420	-	8,234	74
Pradeep Rebello	-	-	15,598	518
Total	1,043,879	10,410	346,316	13,969

Particulars	Details				
ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	**Financial Year 2020-2021**				
	Employee Name	**ESOP 2017**	**RSU 2017**	**ESOP 2018**	**RSU 2018**
	Murali Chowdareddy	6,246	1,041	-	-
	Litesh Majethia	5,205	-	-	1,041
	Rajesh Kumar Srivastava	5,205	-	-	-
	Financial Year 2021-2022				
	Employee Name	**ESOP 2017**	**RSU 2017**	**ESOP 2018**	**RSU 2018**
	Ravi Duvvuru	-	-	-	5,205
	Parag Arun Bhide	-	-	521	-
	Aravind Khandelwal	-	-	516	-
	David Bethapudi	-	-	260	-
	Parveen Kumar	-	-	208	-
	Gautam Kumar	-	-	206	-
	M S Yadav Kumar	-	-	104	-
	Financial Year 2022-2023				
	Employee Name	**ESOP 2017**	**RSU 2017**	**ESOP 2018**	**RSU 2018**
	Ravi Duvvuru	-	-	5,205	-
	Nilesh Kapoor	310	-	-	-
	Rahul Deshpande	1,723	-	-	-
	Vikas Sharma	517	-	-	-
	Rajesh Kumar A	413	-	-	-
	Ajit Suresh	516	-	-	-
	From April 1, 2023 – Sepetmber 30, 2023				
	Employee Name	**ESOP 2017**	**RSU 2017**	**ESOP 2018**	**RSU 2018**
	Abhilash Sandur	16,503	-	-	-
	Amit Raj Bakshi	21,077	-	-	7,435
	Anirban Chowdhury	2,584	-	-	-
	Ravi Duvvuru	-	-	-	5,205
	From September 30, 2023 till date				
	Employee Name	**ESOP 2017**	**RSU 2017**	**ESOP 2018**	**RSU 2018**
	Gopal Tripathi	13,119	-	29,185	344
	Krishnan Subramania Raman	89,294	-	18,851	-
	Sumit Aggarwal	104,103	3,470	14,263	-
	Ajay Kanwal	567,647	9,651	-	-
	Buvanesh Tharashankar	-	-	-	344
iii. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Bank at the time of grant	For the years ended March 31, 2021, March 31, 2022, March 31, 2023 and the six months period ended April 1, 2023, and the period from October 1, 2023 till the date of this Prospectus: Nil				
Fully diluted Earnings per Equity Share – (face value ₹10 per Equity Share) pursuant to issue of Equity Shares on	**Particulars**	**April 1, 2023 till September 30, 2023**	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
	Diluted earnings/(loss) per share of ₹ 10 each	29.45	42.64	3.21	13.46

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>exercise of options calculated in accordance with applicable accounting standard for ‘Earnings per Share’</td><td></td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and on the Earnings per Equity Share – (face value ₹10 per Equity Share)</td><td>
<table>
<tr><th>Particulars</th><th>April 1, 2023 till September 30, 2023</th><th>Year ended March 31, 2023</th><th>Year ended March 31, 2022</th><th>Year ended March 31, 2021</th></tr>
<tr><td>Profit/(loss) after tax as reported (₹ in millions)</td><td>2,132.18</td><td>2,559.71</td><td>174.71</td><td>722.60</td></tr>
<tr><td>Add: Incremental ESOP cost using fair value method (net of tax) (₹ in millions)</td><td>28.47</td><td>102.03</td><td>140.30</td><td>285.46</td></tr>
<tr><td>Profit/(loss) after tax (adjusted) (₹ in millions)</td><td>2,103.71</td><td>2,457.68</td><td>34.41</td><td>437.14</td></tr>
<tr><td>Earnings/(loss) Per Share</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Basic</td><td></td><td></td><td></td><td></td></tr>
<tr><td>As reported</td><td>33.26</td><td>47.47</td><td>3.44</td><td>14.25</td></tr>
<tr><td>Adjusted for ESOP cost using fair value method</td><td>32.82</td><td>45.58</td><td>0.68</td><td>8.62</td></tr>
<tr><td>Diluted</td><td></td><td></td><td></td><td></td></tr>
<tr><td>As reported</td><td>29.45</td><td>42.64</td><td>3.21</td><td>13.46</td></tr>
<tr><td>Adjusted for ESOP cost using fair value method</td><td>29.05</td><td>40.94</td><td>0.63</td><td>8.14</td></tr>
</table>
</td></tr>
<tr><td>Description of the pricing formula method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td>
The Black-Scholes model has been used for computing the fair value of option granted.
The following assumptions are used for calculation of fair value of grants issued:
<table>
<tr><th>S.No.</th><th>Particulars</th><th>April 1, 2023 till September 30, 2023</th><th>April 1, 2022 to March 31, 2023</th><th>April 1, 2021 to March 31, 2022</th><th>April 1, 2020 to March 31, 2021</th></tr>
<tr><td>1.</td><td>Risk free Interest rate</td><td>6.92% - 7.10%</td><td>5.79% - 7.14%</td><td>5.74% – 6.26%</td><td>5.36%</td></tr>
<tr><td>2.</td><td>Expected life (in years)</td><td>3.75 & 1</td><td>3.75 & 1</td><td>4.5</td><td>4.5</td></tr>
<tr><td>3.</td><td>Expected Volatility</td><td>44.64% - 45.55%</td><td>40.56% - 44.71%</td><td>68.09% - 70.42%</td><td>65.69%</td></tr>
<tr><td>4.</td><td>Dividend Yield</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td></tr>
<tr><td>5.</td><td>The weighted average fair value of option granted (Rs.)</td><td>117.49</td><td>317.46</td><td>623.19</td><td>578.09</td></tr>
</table>
</td></tr>
<tr><td>Impact on profit and Earnings per Equity Share – (face value ₹10 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years</td><td>
<table>
<tr><th>Particulars</th><th>April 1, 2023 till September 30, 2023</th><th>Year ended March 31, 2023</th><th>Year ended March 31, 2022</th><th>Year ended March 31, 2021</th></tr>
<tr><td>Profit/(loss) after tax as reported (₹ in millions)</td><td>2,132.18</td><td>2,559.71</td><td>174.71</td><td>722.60</td></tr>
<tr><td>Add: Incremental ESOP cost using fair value method (net of tax) (₹ in millions)</td><td>28.47</td><td>102.03</td><td>140.30</td><td>285.46</td></tr>
<tr><td>Profit/(loss) after tax (adjusted) (₹ in millions)</td><td>2,103.71</td><td>2,457.68</td><td>34.41</td><td>437.14</td></tr>
<tr><td>Earnings/(loss) Per Share</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Basic</td><td></td><td></td><td></td><td></td></tr>
<tr><td>As reported</td><td>33.26</td><td>47.47</td><td>3.44</td><td>14.25</td></tr>
<tr><td>Adjusted for ESOP cost using fair value method</td><td>32.82</td><td>45.58</td><td>0.68</td><td>8.62</td></tr>
<tr><td>Diluted</td><td></td><td></td><td></td><td></td></tr>
<tr><td>As reported</td><td>29.45</td><td>42.64</td><td>3.21</td><td>13.46</td></tr>
<tr><td>Adjusted for ESOP cost using fair value method</td><td>29.05</td><td>40.94</td><td>0.63</td><td>8.14</td></tr>
</table>
</td></tr>
<tr><td>Intention of the key</td><td>Nil</td></tr>
</table>

Particulars	Details
managerial personnel, senior management personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted to sell their Equity Shares within three months after the date of listing of Equity Shares pursuant to the Issue	
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the listing of Equity Shares, by Directors, key managerial personnel, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil

OBJECTS OF THE OFFER

The Offer comprised of the Fresh Issue and the Offer for Sale.

Offer for Sale

Each of the Selling Shareholders will be entitled to their respective portion of the proceeds from the Offer for Sale in proportion of the Equity Shares offered by the respective Selling Shareholders as part of the Offer for Sale. Our Bank will not receive any proceeds from the Offer for Sale.

The aggregate pre-Offer and post-Offer shareholding of the Selling Shareholders and the percentage of the pre-Offer and post-Offer paid-up Equity Share capital, respectively, of our Bank is set out below:

Sr. No.	Name of the Selling Shareholders	Total No. of Equity Shares held prior to the Offer	Percentage of the pre-Offer paid-up capital (%)	Number of Equity Shares offered in the Offer for Sale	Total No. of Equity Shares held post the Offer	Percentage of post-offer capital
1.	CRL	1,812,554	1.94	906,277# Equity Shares aggregating to ₹ 375.20# million	906,277	0.87%
2.	ERL	929,656	1.00	929,656# Equity Shares aggregating to ₹ 384.88# million	Nil	Nil
3.	GAWA 2	141,285	0.15	141,285# Equity Shares aggregating to ₹ 58.49# million	Nil	Nil
4.	GP II Trust (Ajay Tandon)	825	Negligible	413# Equity Shares aggregating to ₹ 0.17# million	412	Negligible
5.	GP II Trust (Siva Shankar)	1,995	Negligible	998# Equity Shares aggregating to ₹ 0.41# million	997	Negligible
6.	Hero Ventures	4,527,856	4.85	630,000# Equity Shares aggregating to ₹ 260.82# million	3,897,856	3.72%
Total		7,414,171	7.94	**2,608,629# Equity Shares**	4,805,542	4.59%

Subject to finalisation of Basis of Allotment

Objects of the Offer

In terms of the SFB Licensing Guidelines, our Bank is required to list its Equity Shares on the Stock Exchanges within a period of three years from reaching a net worth of ₹5,000 million. Further, our Bank is required to maintain a minimum capital adequacy ratio of 15% of our risk weighted assets on a continuous basis, subject to any higher percentage as may be prescribed by RBI from time to time, and our Tier - I capital is required to be at least 7.5% of the risk weighted asset, as per the SFB Operating Guidelines and the Master Circular – Basel II Capital Regulations. For details, see "Key *Regulations and Policies*" on page 313. Our Bank's–Tier - I capital base in accordance with the Restated Financial Statements was ₹ 17,074.80 million and ₹ 24,583.42 million, which is 13.02% and 15.73% of the risk weighted assets as at March 31, 2023 and September 30, 2023, respectively.

Our Bank's CRAR is 15.57%, 15.26%, 15.51%, 16.36% and 17.50% as of March 31, 2023, March 31, 2022, March 31, 2021, September 30, 2022 and September 30, 2023 respectively.

The details of composition of the Bank's Tier - 1 capital (as reported for computation of CRAR) as at September 30, 2023 and September 30, 2022 and as at March 31, 2023, March 31, 2022 and March 31, 2021:

(in ₹ million)

Particulars	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Share Capital	3,435.26	3,249.79	3,249.79	2,014.12	2,007.27
Reserves and surplus(1)	21,455.90	12,302.32	14,140.98	9,610.40	8,788.05
Additional Tier 1 Capital	-	-	-	-	-
Other deductions	(307.74)	(287.62)	(315.97)	(255.33)	(48.41)
Tier Capital - I	**24,583.42**	**15,264.49**	**17,074.80**	**11,369.30**	**10,746.91**
Sub debt	1,200.00	1,900.00	1,800.00	2,660.00	2,832.00
General Provision & Standard Assets Provisions	1,095.85	436.46	1,241.73	422.86	397.00
Investment Reserve and Investment Fluctuation Reserve	579.91	221.05	379.91	221.05	212.36
Securitisation related Fixed	(110.78)	(86.91)	(86.93)	-	-

Particulars	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Deposit					
Tier Capital - II	**2,764.98**	**2,470.60**	**3,334.71**	**3,303.91**	**3,441.36**
Total Capital Fund (Tier I & II)	**27,348.40**	**17,735.09**	**20,409.51**	**14,673.21**	**14,188.27**

(1) Excluding invest fluctuation reserve, investment reserve and ESOP reserve

The CRAR is computed based on the risk weights assigned to the advances under various categories. Accordingly, the higher the risk weight, the higher the capital allocation. As per the SFB Operating Guidelines and the Master Circular – Basel II Capital Regulations, we are required to maintain a minimum CRAR, which is currently 15.00% of the risk weighted assets ("**RWAs**"), on a continuous basis subject to any higher percentage as may be prescribed by the RBI from time to time, with Tier I capital of at least 7.50% of the RWAs and Tier II capital of not more than 100.00% of the Tier I capital. The table below sets forth the details of the Bank's total capital funds, CRAR, changes in CRAR, advances and increases in advances as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	As at September 30, 2023	As at September 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total Capital Funds (in ₹ millions)	27,348.40	17,735.09	20,409.51	14,673.21	14,188.27
CRAR (%)	17.50%	16.36%	15.57%	15.26%	15.51%
Increase/(decrease) in CRAR from the previous balance sheet date disclosed in the table (%)	1.93%*	1.10%*	0.31%	(0.25%)	NA
Advances (in ₹ millions)	210,087.10	146,426.49	177,595.55	130,066.74	115,996.73
Increase in advances from the previous balance sheet date disclosed in the table (%)	18.30%*	12.58%*	36.54%	12.13%	NA

* *Variance numbers as at September 30, 2023 and September 30, 2022 are calculated basis figures for March 31, 2023 and March 3, 2022.*

Our Bank proposes to utilize the Net Proceeds from the Fresh Issue towards augmenting our Bank's Tier – 1 capital base to meet our Bank's future capital requirements, to improve our Tier-I capital and CRAR. Further, the proceeds from the Fresh Issue will also be used towards meeting the expenses in relation to the Offer.

Our Bank expects to receive the benefits of listing the Equity Shares on the Stock Exchanges.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarized in the following table:

Particulars	Estimated amount (₹ in million)
Gross proceeds of the Fresh Issue(1)	4,620.00
(Less) Fresh Issue expenses(1)	(355.19)
Net Proceeds	**4,264.81**

(1) *Our Bank, in consultation with the BRLMs undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each aggregating to ₹ 121.54 million and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 1,009.99 million. The size of the Fresh Issue has been adjusted to ₹ 4,620.00 million.*
Our Bank had intimated the subscribers to the Pre-IPO Placement that our Bank is contemplating the Offer and that there is no guarantee that our Bank may proceed with the Offer, or that the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges, and the investment is being done solely at their own risk.

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds will be utilised for increasing business of our Bank which is primarily onward lending, which are expected to arise out of growth in our Bank's assets, primarily our Bank's loans/advances and investment portfolio, and to ensure compliance with regulatory requirements on capital adequacy prescribed by the RBI from time to time.

We are required to maintain certain minimum capital adequacy ratio on an ongoing basis towards mitigation of unexpected risk in accordance with regulatory guidelines. The ability to grow the business comes from the sufficiency of adequate capital cushion besides regulatory comfort of having enough margin above minimum levels. The cash, being the working capital of our Bank, utilisation will be for increasing our assets which are primarily our advances and investments, similar to any other resources, such as deposits or borrowings.

The Net Proceeds will increase our Tier I capital and the capital adequacy ratio. Our Bank proposes to utilize the Net Proceeds from the Fresh Issue towards augmenting our Bank's Tier – I capital base to meet our Bank's future capital requirements and for increasing our Bank's business, which is primarily lending. Further, the proceeds from the Fresh Issue will also be used towards meeting the expenses in relation to the Offer.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹ 420.50 million.

The Offer related expenses primarily include fees payable to the BRLMs and legal counsel, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (a) listing fees; (b) audit fees of statutory auditors (to the extent not attributable to the Offer); and (c) expenses for any product or corporate advertisements consistent with past practice of the Bank (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which will be borne by the Bank, and (d) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred in connection with the Offer, including issue advertising, printing, road show expenses, accommodation and travel expenses, stamp, transfer, issuance, documentary, registration, costs for execution and enforcement of this Agreement, Registrar's fees, fees to be paid to the BRLMs, fees and expenses of legal counsels to the Bank and the BRLMs, fees and expenses of the auditors, fees to be paid to SCSBs (processing fees and selling commission), brokerage for Syndicate Members, commission to Registered Brokers, Collecting DPs and Collecting RTAs, and payments to consultants, and advisors, shall be shared among the Bank and each of the Selling Shareholders in proportion to the number of Equity Shares sold by them in the Offer, in accordance with the applicable Law. The Bank agrees to advance the cost and expenses of the Offer and will be reimbursed by the Selling Shareholders for their respective proportion of such costs and expenses only upon the consummation of the Offer.

In the event that the Offer is postponed or withdrawn or abandoned for any reason or the Offer is not successfully completed, all expenses in relation to the Offer shall be borne by the Bank and the Selling Shareholders in accordance with the Applicable Law. Notwithstanding anything contained hereinabove, it is clarified that the Selling Shareholders shall not be required to bear any costs/ expenses except to the extent required under Applicable Law.

The estimated Offer related expenses (including applicable taxes) are as under:

Activity	Estimated expenses[(1)] (₹ in million)	As a % of the total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	196.93	46.83%	2.93%
Commission/processing fee for SCSBs and Bankers to the Offer and fee payable to the Sponsor Bank(s) for Bids made by RIBs using UPI [(1)(3)(4)]	1.93	0.46%	0.03%
Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs[(2)]	12.73	3.03%	0.19%
Fees payable to the Registrar to the Offer	0.00	0.00%	0.00%
Fees payable to the other advisors to the Offer	**35.61**	**8.47%**	**0.53%**
- Auditors[#]	28.32	6.73%	0.42%
- Independent chartered accountant[#]	5.75	1.37%	0.09%
- Industry expert[#]	1.53	0.36%	0.02%
Others	**173.30**	**41.21%**	**2.58%**
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	35.38	8.41%	0.53%
- Printing and stationery	16.70	3.97%	0.25%
- Advertising and marketing expenses	19.11	4.55%	0.28%
- Fees payable to legal counsels	55.21	13.13%	0.82%
- Miscellaneous	46.90	11.15%	0.70%
Total estimated Offer expenses	**420.50**	**100.00%**	**6.27%**

The names, roles and responsibilities of the other parties/ advisors to the Offer are as follows:

i. *Auditors:M M Nissim & Co LLP, Chartered Accountants and Brahmayya & Co. Chartered Accountants*

ii. *Independent chartered accountant: JHS & Associates LLP, Chartered Accountants* *iii. Industry expert: Fitch Solutions*

(1) *Selling commission payable to the SCSBs on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:*

*Portion for RIBs**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.20% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*0.25% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE.

No processing fees shall be payable by our Bank and the Selling Shareholders to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs on the portion for RIBs, Eligible Employees and Non-Institutional Bidders (excluding UPI bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking, would be as follows:

*Portion for RIBs, Non-Institutional Bidders and Eligible Employees**	*₹10/- per valid Bid cum Application Form (plus applicable taxes)*

Processing fees payable to the SCSBs for capturing Syndicate Member/ Sub-syndicate (Broker)/ Sub-broker code on the ASBA Form for Non-Institutional Bidders and Qualified Institutional bidders with bids above ₹0.50 million would be ₹10 per valid application (plus applicable taxes).

(2) *Selling commission on the portion for RIBs (up to ₹0.20 million), Non-Institutional Bidders (from ₹0.20 - ₹0.50 million) and Eligible Employees which are procured by Members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat & bank account provided by some of the Registered Brokers which are members of the Syndicate (including their Sub-Syndicate Members) would be as follows:*

*Portion for RIBs**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.20% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*0.25% of the Amount Allotted (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

The selling commission payable to the Syndicate / Sub-Syndicate Members will be determined (i) for RIBs, NIIs and Eligible Employees (up to ₹0.50 million), on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSBs, the Selling Commission will be payable to the SCSBs and not the Syndicate / Sub-Syndicate Member; and (ii) for NIIs (above ₹ 0.5 million), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the Syndicate / Sub Syndicate members and not the SCSB.

Bidding Charges payable to Members of the Syndicate (including their sub-Syndicate Members) on the applications made using 3-in-1 accounts, would be ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members). Bidding charges payable to SCSBs on the QIB Portion and NIIs (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/CDPs and submitted to SCSBs for blocking and uploading would be ₹ 10 per valid application (plus applicable taxes).

The selling commission and Bidding Charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

(3) *Selling commission/ bidding charges payable to the Registered Brokers on the portion for RIBs, Eligible Employees procured through UPI Mechanism and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:*

*Portion for RIBs, Non-Institutional Bidders and Eligible Employees**	*₹ 10/- per valid Bid cum Application Form (plus applicable taxes)*

(4) *Uploading charges/ Bidding charges/ processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:*

Members of the Syndicate/ RTAs (uploading charges)	*₹ 30 per valid application (plus applicable taxes)*
Sponsor Bank (s)	*₹ Nil per valid Bid cum Application Form (plus applicable taxes)* *The Sponsor Bank(s) shall be responsible for making payments to third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the applicable SEBI circulars, the Syndicate Agreement and other applicable laws.*

The total uploading charges / processing fees payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers as listed under will be subject to a maximum cap of ₹10.00 million (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹10.00 million, then the amount payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹10.00 million.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement. The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Means of finance

The fund requirements set out for the aforesaid objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Bank confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals as required under the SEBI ICDR Regulations.

Interim use of Net Proceeds

Our Bank, in accordance with the policies established by the Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Bank will deposit the Net Proceeds only with one or more scheduled commercial banks included in the second schedule of the RBI Act as may be approved by our Board or IPO Committee.

In accordance with Section 27 of the Companies Act, 2013, our Bank confirms that it shall not use the Net Proceeds for buying, trading, or otherwise dealing in the equity shares of any other listed company or for any investment in equity markets.

Bridge Financing Facilities

Our Bank has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution.

Monitoring of Utilization of Funds

In terms of the proviso to Regulation 41(1) of the SEBI ICDR Regulations, our Bank is not required to appoint a monitoring agency for this Offer. To the extent applicable, our Bank will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised.

Our Bank will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Bank for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulations 18(3) and 32(3) of the Listing Regulations, our Bank shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate.

On an annual basis, our Bank shall prepare a statement of funds utilized for purposes other than those stated in this Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the Joint Statutory Auditors of our Bank.

Further, in accordance with Regulation 32(1) of the Listing Regulations, our Bank shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the Net Proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilization of the Net Proceeds from the objects of the Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Bank shall not vary the objects of the Offer without our Bank being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules.

The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Kannada, being the regional language of Karnataka, where the Registered and Corporate Office is situated in accordance with the Companies Act and applicable rules. Our Promoters or controlling shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with our Articles of Association and the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by us as consideration to our Promoters, Promoter Group, the Directors and Key Managerial Personnel and Senior Management Personnel, except in the normal course of business and in compliance with applicable law.

Our Bank has not entered into and is not planning to enter into any arrangement/ agreements with the Promoters, Promoter Group, Directors, Key Managerial Personnel and Group Companies in relation to the utilisation of the Net Proceeds. Further there is no existing or anticipated interest of such individuals and entities in the objects of the Offer as set out above.

BASIS FOR OFFER PRICE

The Offer Price has been determined in compliance with SEBI ICDR Regulations, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is 41.40 times the face value, 39.30 times at the Floor Price and 41.40 times at the Cap Price. The financial information included herein is derived from our Restated Financial Statements. Prospective investors should also see "*Our Business*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Other Financial Information*" on pages 255, 37, 463 and 462, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

1. Digitalised bank and majority services are available in digital form to customers
2. Integrated risk and governance framework
3. Professional and experienced management and Board
4. Customer-centric organization with more than 16 years' experience in serving underbanked and underserved customers
5. Pan-India presence with strong brand recognition
6. Fast growing Retail Deposits base and diversified deposit franchise
7. Proven execution ability

For further details, see "*Our Business – Our Strengths*" beginning on page 260.

Quantitative Factors

Some of the information presented below relating to our Bank is based on the Restated Financial Statements. For details, see "*Financial Statements*" on page 388.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and diluted earnings per share ("EPS"):

Fiscal Year ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2023	47.47	42.64	3
March 31, 2022	3.44	3.21	2
March 31, 2021	14.25	13.46	1
Weighted Average	**27.25**	**24.63**	-
Six months period ended September 2023*	33.26	29.45	-
Six months period ended September 2022*	10.52	9.76	-

**Not annualised*

Notes:

(1) Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

(2) Diluted earnings per equity share is computed by dividing net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares including potential equity shares outstanding as at the end of the year, except when results are anti-dilutive.

(3) Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" ("AS 20") as notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014

(4) The Weighted Average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight.

(5) Our Bank has made the following allotments on dates mentioned below. Such allotments have not been given effect in the above calculation.

Date	*Equity Shares allotted*	*Nature*
October 19, 2023	*6,940*	*RSU 2017*
	1,124	*RSU 2018*
November 20, 2023	*75,411*	*RSU 2017*
	16,662	*RSU 2018*
December 7, 2023	*5,211*	*RSU 2017*
	904	*RSU 2018*
January 15, 2024	*7,407*	*RSU 2017*
	412	*RSU 2018*
January 19, 2024	*24,39,607*	*Private Placement*
January 31, 2024	*1,73,51,229*	*CCPS conversion*

B. P/E Ratio in relation to the Price Band of ₹ 393 to ₹ 414 per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for year ended March 31, 2023	8.28	8.72
Based on diluted EPS for year ended March 31, 2023	9.22	9.71

C. Industry Peer Group Price/Earnings ("P/E") ratio

Based on the peer group information (excluding our Bank) given below in this section, the highest P/E ratio is 665.52, the lowest P/E ratio is 10.15 and the average P/E ratio is 93.03.

Particulars	Industry P/E	Name of the company	Face value of the equity shares (₹)
Highest	665.52	Spandana Sphoorty Financial Limited	10
Lowest	10.15	Ujjivan Small Finance Bank Limited	10
Average	93.03	-	

Notes:

(1) The industry high and low has been considered from the industry peer set provided later in this section.

(2) For Industry P/E, P/E figures for the peers are computed based on closing market price as on January 16, 2024 at BSE, divided by Basic EPS (on consolidated basis unless otherwise available only on standalone basis) based on financial results of the respective company for the year ended March 31, 2023 submitted to stock exchanges.

D. Industry Peer Group Price/ Book ("P/B") ratio

Based on the peer group information (excluding our Bank) given below in this section, the highest P/B ratio is 5.20, the lowest P/B ratio is 1.19 and the average P/B ratio is 2.93.

Particulars	Industry P/B	Name of the company	Face value of the equity shares (₹)
Highest	5.20	Credit Access Grameen Limited	10
Lowest	1.19	Suryoday Small Finance Bank Limited	10
Average	2.93	-	

Notes:

(1) The industry high and low have been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/B of the industry peer provided in this section.

(2) For Industry P/B, P/B figures for the peers are computed based on closing market price as on January 16, 2024 at BSE, divided by book value per share based on financial results of the respective company for the year ended March 31, 2023 submitted to stock exchanges.

E. Average Return on Net Worth ("RoNW")

As per the Restated Financial Statements:

Fiscal Year ended	RoNW (%)	Weight
March 31, 2023	14.40	3
March 31, 2022	1.47	2
March 31, 2021	6.56	1
Weighted Average	**8.78**	-
Six months period ended September 30, 2023*	16.74	-
Six months period ended September 30, 2022*	7.05	-

**Not annualised*

$$\text{Return on net worth (\%)} = \frac{\text{Net profit, as restated, attributable to equity shareholders of the Bank}}{\text{Net worth at the end of the year}}$$

Notes:

(1) "Net worth" means the aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve, employee stock option and purchase outstanding, cash flow hedge reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and accumulated losses (if any).

(2) The weighted average return on net worth is a product of return on net worth and respective assigned weight, dividing the resultant by total aggregate weight.

F. Net Asset Value ("NAV") per Equity Share

As at	(₹)
September 30, 2023	346.42
September 30, 2022	286.89
March 31, 2023	323.23
After the completion of the Offer	

As at	(₹)
September 30, 2023	346.42
September 30, 2022	286.89
Floor Price	296.83
Cap Price	298.52
Offer Price	298.52

Net asset value per equity share (₹) = $\frac{\text{Net worth at the end of the period/years}^{\wedge}}{\text{Total number of equity shares outstanding at the end of period/years}}$

^ *"Net worth" means the aggregate of capital and reserves and surplus or other equity*

G. Comparison with listed industry peers

The following peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses:

Name of the bank	Total revenue (₹ in million)	Face Value per Equity Share (₹)	P/E	P/B	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per Equity Share)
Jana Small Finance Bank Limited*	36,998.75	10.00	N.A.	N.A.	47.47	42.64	14.40	323.23
Listed peers								
AU Small Finance Bank Limited	92,398.73	10.00	35.47	4.71	21.86	21.74	13.00	164.64
Suryoday Small Finance Bank Limited	12,811.05	10.00	24.21	1.19	7.32	7.32	4.90	149.28
Credit Access Grameen Limited	35,507.90	10.00	32.66	5.20	52.04	51.82	16.18	326.89
Spandana Sphoorty Financial Limited	14,770.32	10.00	665.52	2.65	1.74	1.74	0.40	436.58
Bandhan Bank Limited	1,83,732.50	10.00	16.87	1.89	13.62	13.62	11.21	121.58
Ujjivan Small Finance Bank Limited	47,541.86	10.00	10.15	2.81	5.88	5.87	26.45	21.27
Equitas Small Finance Bank Limited	48,314.64	10.00	24.21	2.46	4.71	4.67	11.21	46.44
Fusion Micro Finance Limited	17,999.70	10.00	14.68	2.75	43.29	43.13	16.67	230.74
Utkarsh Small Finance Bank Limited	28,042.86	10.00	13.51	2.73	4.52	4.51	20.22	22.33

**Financial information is derived from the Restated Financial Statements for the year ended March 31, 2023.*

Notes:

(1) *All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports/ financial results as available of the respective company for the year ended March 31, 2023 submitted to stock exchanges.*

(2) *P/E ratio is calculated as closing share price (January 16, 2024 - BSE) / Basic EPS for the year ended March 31, 2023.*

(3) *Basic and diluted EPS as reported in the relevant financial results of the respective company for the year ended March 31, 2023.*

(4) *Return on net worth (%) = Net profit/(loss) after tax / Net worth at the end of the year.*

(5) *Net asset value per share (in ₹) = Net worth at the end of the year / Total number of equity shares outstanding at the end of the year.*

(6) *P/B Ratio is calculated as closing share price as at January 16, 2024 at BSE divided by Net Asset Value per equity share.*

H. Key Performance Indicators

The table below sets forth the details of KPIs that our Bank considers having a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee February 1, 2024 and the Audit Committee has confirmed that verified and certified details of all the KPIs pertaining to the Bank that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of the Red Herring Prospectus have been disclosed in this section. Further, the KPIs herein have been certified by JHS & Associates, LLP, Chartered Accountants pursuant to certificate dated February 1, 2024.

Our Bank confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Bank), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

Key Performance Indicators:

KPIs	Six months period ended September 30, 2023	Six months period ended September 30, 2022	Fiscal 2021	Fiscal 2022	Fiscal 2023
Operations					
Banking Outlets [(1)]	771	723	619	715	754
AUM (in INR million) [(2)]	230,295.58	170,567.55	127,705.26	153,473.37	201,018.01
AUM Growth (%) [(3)]	35.02%	NA	NA	20.18%	30.98%
Gross Advances (in INR million) [(4)]	213,471.30	149,920.24	118,389.82	132,503.20	180,007.41
Gross Advances Growth (%)[(5)]	42.39%	NA	NA	11.92%	35.85%
Gross Secured Advances (in INR million) [(6)]	122,577.38	82,998.38	50,760.00	70,271.26	99,047.54
Gross Secured Advances (% to Gross Advances) [(7)]	57.42%	55.36%	42.87%	53.03%	55.02%
Deposits (in INR million)	189,367.24	141,677.52	1,23,162.58	1,35,364.92	1,63,340.16
Deposits Growth (%) [(8)]	33.66%	NA	NA	9.91%	20.67%
CASA Ratio (%) [(9)]	20.49%	22.78%	16.29%	22.52%	20.21%
CASA + Retail Term Deposits Ratio (as percentage of total deposits) [(10)]	67.21%	75.91%	73.18%	75.86%	70.22%
Capital					
Net worth (in INR million) [(11)]	25,471.08	15,773.17	11,007.66	11,845.58	17,770.69
Total Capital Ratio (CRAR) (%) [(12)]	17.50%	16.36%	15.51%	15.26%	15.57%
Tier 1 Capital Ratio (%) [(13)]	15.73%	14.08%	11.75%	11.83%	13.02%
Cost of Deposits (%) [(14)]	7.54%	6.57%	8.89%	8.12%	7.22%
Cost of Funds (%) [(15)]	7.40%	6.73%	8.61%	7.37%	7.02%
Asset Quality					
Gross NPA (%) [(16)]	2.44%	6.83%	7.25%	5.71%	3.94%
Provision Coverage Ratio (%) [(17)]	64.92%	34.14%	27.89%	32.19%	34.01%
Restructured Book as % of Advances (%) [(18)]	1.27%	4.73%	8.40%	4.61%	1.04%%
Net NPA (%) [(19)]	0.87%	4.60%	5.33%	3.95%	2.64%
Profitability					
Pre-Provision Operating Profit (PPOP)[(20)]	5,561.02	4,346.54	4,388.52	5,867.92	10,003.74
Net Profit (in INR million)	2,132.18	556.34	722.60	174.71	2,559.71
Yield on Advances (%) [(21)]	17.50%	17.81%	21.81%	19.94%	18.09%
Net Interest Margin (%) [(22)]	7.76%	7.45%	8.36%	7.32%	7.73%
Credit Cost Ratio (%) [(23)]	3.53%	5.47%	3.51%	4.70%	4.95%
Operating Expenses to Average Total Assets (%) [(24)]	5.81%	5.68%	6.52%	5.68%	5.66%
Cost to Income Ratio (%) [(25)]	58.48%	58.42%	70.47%	66.00%	56.22%
Return on Average Assets (%) [(26)]	1.61%	0.52%	0.45%	0.09%	1.13%
Return on Average Equity (%) [(27)]	19.60%	8.00%	6.51%	1.53%	16.78%
Basic EPS (in INR) [(28)]	33.26	10.52	14.25	3.44	47.47

(1) *Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year*

(2) *AUM represents Advances under Management and is calculated as the sum of gross advances plus advances originated and transferred under securitization, assignment, and inter-bank participation certificates and sale to ARCs for which the company continues to hold collection responsibilities.*

(3) *AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.*

(4) *Gross Advances is calculated as the AUM subtracted for advances originated and transferred under securitization, assignment, and inter-bank participation certificates and sale to ARCs for which the company continues to hold collection responsibilities.*

(5) *Gross Advances growth represents growth in Gross Advances as of the last day of the relevant period/fiscal year over Gross Advances as of the last day of the previous period/fiscal year.*

(6) *Gross Secured Advances Gross advances against which there is a security in form of gold, property, Fixed Deposits, Two Wheeler or any other security.*

(7) *Gross Secured Advances % to Gross advances as of the last day of the relevant period/fiscal, expressed for the period as a percentage.*

(8) *Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.*

(9) *CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(10) *CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.*
(11) *Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.*
(12) *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*
(13) *Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.*
(14) *Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to the average deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(15) *Cost of Funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(16) *Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*
(17) *Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including technical write off and Gross NPA, including technical write-off.*
(18) *Restructured book as % of advances represent standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.*
(19) *Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.*
(20) *Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.*
(21) *Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(22) *Net Interest Margin represents net interest income for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, represented as a percentage.*
(23) *Credit Cost Ratio is calculated as the ratio of total provisions towards NPAs and write-offs and provision towards standard assets to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.*
(24) *Operating Expenses to Average Total Assets represents operating expenses for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*
(25) *Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/fiscal year, expressed as a percentage.*
(26) *Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*
(27) *Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.*
(28) *Basic EPS: EPS as computed in accordance with Accounting Standard 20 notified under the Companies Act (Accounting Standards) Rules of 2014 (as amended).*

For details of our other operating metrics disclosed elsewhere in this Prospectus, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 255 and 463, respectively. We have described and defined the KPIs, as applicable, in the section "*Definitions and Abbreviations*" on page 1.

I. Description on the historic use of the KPIs by our Bank to analyze, track or monitor the operational and/or financial performance of our Bank

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Statements. We use these KPIs to evaluate our financial and operating performance. These KPIs have limitations as analytical tools.

Key Performance Indicator		Description and rationale	
Operations	Banking Outlets	Number of Branches including banking outlets operated by business correspondents	This metric is used by the management to assess the physical presence, footprints and geographical expansion of the business of our Bank
	AUM	AUM represents Advances under Management and is calculated as the sum of gross advances plus advances originated and transferred under securitization, assignment and inter-bank participation certificates for which the company continues to hold collection responsibilities	These metrics are used by the management to assess the growth in terms of scale and composition of business of our Bank
	AUM Growth (%)	AUM growth represents growth in AUM as of the last day of the relevant fiscal year over AUM as of the last day of the previous fiscal year	
	Gross Advances	Gross Advances is calculated as the AUM subtracted for advances originated and transferred under securitization, assignment, and inter-bank participation certificates and sale to ARCs for which the company continues to hold collection responsibilities.	

Key Performance Indicator		Description and rationale	
	Gross Advances Growth (%)	Gross Advances growth represents growth in Gross Advances as of the last day of the relevant fiscal year over Gross Advances as of the last day of the previous fiscal year.	
	Gross Secured Advances (in INR)	Gross Secured Advances Gross advances against which there is a security in form of gold, property, Fixed Deposits, Two-Wheeler or any other security.	
	Gross Secured Advances Growth (% to gross advances)	Gross Advances growth represents growth in Gross Advances as of the last day of the relevant fiscal year over Gross Advances as of the last day of the previous fiscal year.	
	Deposits	Total deposits of the Bank	
	Deposits Growth (%)	Growth in deposits for the relevant period over deposits of the previous period	
	CASA Ratio (%)	Current and saving account deposit to total deposits for the period expressed as percentage	
	Retail Deposits Ratio (CASA plus Retail Term deposits as a percentage of total deposits)	Current account deposit, saving account deposit and retail deposit to total deposits expressed for the period as percentage	
Capital	Net worth	Sum of equity share capital and other equity as of the last day of the relevant period	These metrics are used by the management to ensure the adequacy of capital for the business growth of our Bank
	Total Capital Ratio (%) (CRAR)	Total Capital Ratio (CRAR) is the total of Capital to Risk Weighted Asset Ratio (CRAR) (as a percentage of Credit Risk Weighted Assets)	
	Tier 1 Capital Ratio (%)	Tier 1 Capital Ratio consists mainly of share capital and disclosed reserves, and it is a bank's highest quality capital because it is fully available to cover losses	
	Cost of Deposits (%)	Interest expense on deposits to average total deposits for the period expressed as percentage	These metrics are used by the management to assess the cost for financial resources which are deployed for the business growth of our Bank
	Cost of Funds (%)	Interest expense to the average of sum of deposits and borrowings for the period expressed as percentage	
Asset Quality	Gross NPA as a percentage of gross loan advances (%)	Gross NPA to the Gross Loan Advances as of the last day of the relevant period	These metrics are used by the management to assess the asset quality of the loan portfolio and adequacy of provisions against the delinquent loans
	Provision Coverage Ratio (%)	Provision Coverage Ratio represents the ratio of NPA provision including technical write off and gross NPA, including technical write off.	
	Restructured Book as a % of Advances (standard restructured book to net advances) (%)	Standard restructured book to net advances for the period expressed as percentage	
	Net NPA as a percentage of net advances (%)	Net NPA (%) is net Non-Performing Assets as at the year/period end / Net Advances	
Profitability	Pre-Provision Operating Profit (PPOP)	Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period	This metrics is used by the management for assessing the financial performance of our Bank during a particular period
	Net Profit	Net Profit is net profit after tax available for equity shareholders	These metrics are used by the management to assess the financial and profitability metrics and cost efficiency of the business of our Bank
	Yield on Advances (%)	Ratio of interest income on loan assets for a period to the average Net advances for the period expressed as a percentage	
	Net interest Margin (%)	Net interest income on the loans for a period to the average total assets for the period, represented as a percentage	
	Credit Cost Ratio (%)	Credit Cost Ratio is calculated as the ratio of total provisions towards NPAs and write-offs and provision towards standard assets to the	

Key Performance Indicator		Description and rationale	
		company's average net advances for the relevant fiscal year, expressed as a percentage.	
	Operating Expenses to Total Average Assets (%)	Operating expenses for a period to the Average Total Assets for the period	
	Cost to Income Ratio (%)	Operating expenses for a period to the sum of net interest income and non-interest income for the period	
	Return on Average Assets (%)	Profit after Tax for the relevant period as a percentage of Average Total Assets in such period	These metrics are used by the management to assess the returns on the deployed capital and the assets in the business of our Bank
	Return on Average Equity (%)	Profit After Tax for the relevant period as a percentage of Average Net Worth/Equity in such period	
	Basic EPS	EPS as computed in accordance with Indian Accounting Standard 20 issued by ICAI	

J. Comparison of KPIs with Listed Peers

Set out below is the comparison of our Bank's KPIs against the KPIs of our listed peers for the year ended March 31, 2023.

[The remainder of this page has intentionally been left blank]

KPIs	Jana Small Finance Bank Limited	AU Small Finance Bank Limited	Equitas Small Finance Bank Limited	Ujjivan Small Finance Bank Limited	Suryoday Small Finance Bank Limited	Bandhan Bank	Credit Access Grameen	Spandana Sphoorthy	Fusion Micro Finance Limited	Utkarsh Small Finance Bank
Operations										
Banking Outlets [1]	754	1,027	922	629	577	5,723	1,786	1,227	1,086	830
AUM (in INR million) [2]	201,018.01	591,580.00	278,610.00	240,850.00	61,140.00	1,091,200.00	175,610.00	85,110.00	92,960.00	139,571.08
AUM Growth (%) [3]	30.98%	26.44%	35.27%	37.73%	20.73%	9.85%	27.88%	29.33%	36.99%	31.29%
Gross Advances (in INR million) [4]	180,007.41	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gross Advances Growth (%)[5]	35.85%	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gross Secured Advances (in INR million) [6]	99,047.54	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gross Secured Advances (% to Gross Advances) [7]	55.02%	NA	NA	NA	NA	NA	NA	NA	NA	NA
Deposits (in INR million)	1,63,340.16	693,649.86	253,805.56	255,380.00	51,667.20	1,080,693.13	NM	NM	NM	137,101.40
Deposits Growth (%) [8]	20.67%	31.91%	33.93%	39.61%	34.21%	12.19%	NM	NM	NM	36.09%
CASA Ratio (%) [9]	20.21%	38.43%	42.28%	26.41%	17.11%	39.29%	NM	NM	NM	20.89%
CASA + Retail Term Deposits Ratio (as percentage of total deposits) [10]	70.22%	68.76%	77.49%	66.03%	73.10%	71.20%	NM	NM	NM	61.55%
Capital										
Net worth (in INR million) [11]	17,770.69	109,333.19	51,579.48	41,580.00	15,847.30	195,841.53	51,069.40	30,992.48	23,219.19	20,003.21
Total Capital Ratio (CRAR) (%) [12]	15.57%	23.59%	23.80%	25.81%	33.72%	19.76%	23.58%	36.87%	27.94%	20.64%
Tier 1 Capital Ratio (%) [13]	13.02%	21.80%	23.08%	22.69%	30.80%	18.70%	NA	NA	NA	18.25%
Cost of Deposits (%) [14]	7.22%	5.93%	6.13%	NA	NA	NA	NM	NM	NM	6.71%
Cost of Funds (%) [15]	7.02%	5.63%	6.48%	6.08%	6.10%	5.34%	8.30%	12.86%	10.24%	6.96%
Asset Quality										
Gross NPA (%) [16]	3.94%	1.66%	2.76%	2.88%	3.13%	4.87%	1.21%	1.95%	3.46%	3.23%
Provision Coverage Ratio (%) [17]	34.01%	75.00%	56.90%	98.00%	51.43%	76.82%	71.58%	70.00%	75.50%	88.29%
Restructured Book as % of Advances (%) [18]	1.04%	1.20%	1.00%	NA	NA	NA	NA	NA	0.20%	0.22%
Net NPA (%) [19]	2.64%	0.42%	1.21%	0.04%	1.55%	1.17%	0.35%	0.58%	0.87%	0.39%
Profitability										
Pre-Provision Operating Profit (PPOP)[20]	10,003.74	2,019.48	1,176.01	1,484.91	337.40	7,091.35	1,506.41	562.13	712.35	NA
Net Profit (in INR million)	2,559.71	14,279.25	5,735.91	10,999.20	777.00	21,946.38	8,260.30	123.94	3,871.45	4,045.02
Yield on Advances (%) [21]	18.09%	13.10%	16.67%	19.73%	19.04%	13.86%	19.39%	19.24%	22.92%	19.88%
Net Interest Margin (%) [22]	7.73%	5.56%	8.22%	9.48%	8.28%	6.29%	10.75%	9.96%	11.50%	9.57%
Credit Cost Ratio (%) [23]	4.95%	0.30%	1.80%	0.09%	4.40%	4.23%	2.37%	8.20%	2.87%	2.61%
Operating Expenses to Average Total Assets (%) [24]	5.66%	4.32%	6.58%	6.33%	5.62%	3.15%	4.23%	5.55%	5.34%	5.92%

Cost to Income Ratio (%) (25)	56.22%	63.01%	63.41%	54.82%	60.02%	39.54%	37.48%	44.84%	38.44%	54.15%
Return on Average Assets (%) (26)	1.13%	1.79%	1.85%	3.86%	0.86%	1.49%	4.20%	0.15%	4.65%	2.42%
Return on Average Equity (%) (27)	16.78%	15.52%	12.20%	31.80%	5.03%	11.87%	17.81%	0.40%	21.16%	22.84%
Basic EPS (in INR) (28)	47.47	21.86	4.71	5.88	7.32	13.62	52.04	1.74	43.29	4.52

(1) *Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year*

(2) *AUM represents Advances under Management and is calculated as the sum of gross advances plus advances originated and transferred under securitization, assignment, and inter-bank participation certificates and sale to ARCs for which the company continues to hold collection responsibilities.*

(3) *AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.*

(4) *Gross Advances is calculated as the AUM substracted for advances originated and transferred under securitization, assignment, and inter-bank participation certificates and sale to ARCs for which the company continues to hold collection responsibilities.*

(5) *Gross Advances growth represents growth in Gross Advances as of the last day of the relevant period/fiscal year over Gross Advances as of the last day of the previous period/fiscal year.*

(6) *Gross Secured Advances Gross advances against which there is a security in form of gold, property, Fixed Deposits, Two Wheeler or any other security.*

(7) *Gross Secured Advances % to Gross advances as of the last day of the relevant period/fiscal, expressed for the period as a percentage.*

(8) *Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.*

(9) *CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(10) *CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.*

(11) *Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.*

(12) *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*

(13) *Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.*

(14) *Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to the average deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(15) *Cost of Funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(16) *Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*

(17) *Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including technical write off and Gross NPA, including technical write-off.*

(18) *Restructured book as % of advances represent standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.*

(19) *Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.*

(20) *Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.*

(21) *Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(22) *Net Interest Margin represents net interest income for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, represented as a percentage.*

(23) *Credit Cost Ratio is calculated as the ratio of total provisions towards NPAs and write-offs and provision towards standard assets to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.*

(24) *Operating Expenses to Average Total Assets represents operating expenses for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*

(25) *Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/fiscal year, expressed as a percentage.*

(26) *Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*

(27) *Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.*

(28) *Basic EPS: EPS as computed in accordance with Accounting Standard 20 notified under the Companies Act (Accounting Standards) Rules of 2014 (as amended).*

For details of our other operating metrics disclosed elsewhere in this Prospectus, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 255 and 463, respectively. We have described and defined the KPIs, as applicable, in the section "*Definitions and Abbreviations*" on page 1.

I. AU Small Finance Bank Limited

Certain Key GAAP Measures and Key Performance Indicators (KPIs)		**FY 2021**	**FY 2022**	**FY 2023**
Operations	Banking Outlets (1)	744	919	1027
	AUM (in INR million) (2)	353,560.00	467,890.00	591,580.00
	AUM Growth (%) (3)	NA	32.34%	26.44%

Certain Key GAAP Measures and Key Performance Indicators (KPIs)		FY 2021	FY 2022	FY 2023
	Deposits (in INR million)	359,793.14	525,846.21	693,649.86
	Deposits Growth (%) (4)	NA	46.15%	31.91%
	CASA Ratio (%) (5)	23.00%	37.29%	38.43%
	CASA + Retail Term Deposits Ratio (as percentage of total deposits) (6)	54.87%	66.61%	68.76%
Capital	Net worth (in INR million) (7)	61,720.99	74,726.82	109,333.19
	Total Capital Ratio (CRAR) (%) (8)	23.37%	21.00%	23.59%
	Tier 1 Capital Ratio (%) (9)	21.53%	19.69%	21.80%
	Cost of Deposits (%) (10)	5.98%	5.11%	5.93%
	Cost of Funds (%) (11)	6.50%	5.29%	5.63%
Asset Quality	Gross NPA (%) (12)	4.25%	1.98%	1.66%
	Provision Coverage Ratio (%) (13)	50.00%	75.00%	75.00%
	Restructured Book as % of Advances (%) (14)	1.80%	2.50%	1.20%
	Net NPA (%) (15)	2.18%	0.50%	0.42%
Profitability	Pre-Provision Operating Profit (PPOP)(16)	2,157.98	1,815.00	2,019.48
	Net Profit (in INR million)	11,706.80	11,300.00	14,279.25
	Yield on Advances (%) (17)	12.82%	12.10%	13.10%
	Net Interest Margin (%) (18)	5.05%	5.36%	5.56%
	Credit Cost Ratio (%) (19)	1.27%	0.89%	0.30%
	Operating Expenses to Average Total Assets (%) (20)	3.54%	4.00%	4.32%
	Cost to Income Ratio (%) (21)	43.46%	57.07%	63.01%
	Return on Average Assets (%) (22)	2.50%	1.87%	1.79%
	Return on Average Equity (%) (23)	22.31%	16.56%	15.52%
	Basic EPS (in INR) (24)	38.19	18.03	21.86

Source: Fitch Report

(1) Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year.

(2) AUM represents Advances under Management and is calculated as the sum of gross advances plus advances originated and transferred under securitization, assignment and inter-bank participation certificates for which the company continues to hold collection responsibilities.

(3) AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.

(4) Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.

(5) CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.

(6) CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.

(7) Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.

(8) CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.

(9) Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.

(10) Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to the average deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.

(11) Cost of funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/fiscal year, expressed as a percentage.

(12) Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.

(13) Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including Technical Write off and Gross NPA, including Technical write off.

(14) Restructured book as % of advances represents standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.

(15) Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.

(16) Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.

(17) Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.

(18) Net Interest Margin represents net interest income for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, represented as a percentage.

(19) Credit Cost Ratio is calculated as the ratio of total provisions and contingencies (excluding provision for tax) to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.

(20) Operating Expenses to Average Total Assets represents operating expenses for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, expressed as a percentage.

(21) Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/fiscal year, expressed as a percentage.

(22) Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to Average Total Assets for the relevant period/fiscal year, expressed as a percentage.

(23) Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.

(24) Basic EPS: Basic EPS as reported by the company represents EPS as computed in accordance with Indian Accounting Standard 20.

II. Equitas Small Finance Bank Limited

Certain Key GAAP Measures and Key Performance Indicators (KPIs)		FY 2021	FY 2022	FY 2023
Operations	Banking Outlets [1]	861	869	922
	AUM (in INR million) [2]	179,250.00	205,970.00	278,610.00
	AUM Growth (%) [3]	NA	14.91%	35.27%
	Deposits (in INR million)	163,919.72	189,507.97	253,805.56
	Deposits Growth (%) [4]	NA	15.61%	33.93%
	CASA Ratio (%) [5]	34.25%	52.00%	42.28%
	CASA + Retail Term Deposits Ratio (as percentage of total deposits) [6]	70.05%	89.44%	77.49%
Capital	Net worth (in INR million) [7]	33,963.41	42,460.00	51,579.48
	Total Capital Ratio (CRAR) (%) [8]	24.18%	25.16%	23.80%
	Tier 1 Capital Ratio (%) [9]	23.23%	24.53%	23.08%
	Cost of Deposits (%) [10]	7.14%	6.42%	6.13%
	Cost of Funds (%) [11]	7.66%	6.75%	6.48%
Asset Quality	Gross NPA (%) [12]	3.73%	4.24%	2.76%
	Provision Coverage Ratio (%) [13]	58.59%	42.73%	56.90%
	Restructured Book as % of Advances (%) [14]	NA	3.12%	1.00%
	Net NPA (%) [15]	1.58%	2.47%	1.21%
Profitability	Pre-Provision Operating Profit (PPOP)[16]	886.60	873.00	1,176.01
	Net Profit (in INR million)	3,842.23	2,807.32	5,735.91
	Yield on Advances (%) [17]	18.97%	17.33%	16.67%
	Net Interest Margin (%) [18]	8.17%	7.89%	8.22%
	Credit Cost Ratio (%) [19]	2.45%	2.73%	1.80%
	Operating Expenses to Average Total Assets (%) [20]	6.04%	6.60%	6.58%
	Cost to Income Ratio (%) [21]	59.99%	66.12%	63.41%
	Return on Average Assets (%) [22]	1.75%	1.09%	1.85%
	Return on Average Equity (%) [23]	12.52%	7.35%	12.20%
	Basic EPS (in INR) [24]	3.53	2.43	4.71

Source: Fitch Report

(1) *Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year.*

(2) *AUM represents Advances under Management and is calculated as the sum of gross advances plus advances originated and transferred under securitization, assignment and inter-bank participation certificates for which the company continues to hold collection responsibilities.*

(3) *AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.*

(4) *Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.*

(5) *CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(6) *CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.*

(7) *Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.*

(8) *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*

(9) *Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.*

(10) *Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to average deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(11) *Cost of funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(12) *Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*

(13) *Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including Technical Write off and Gross NPA, including Technical write off.*

(14) *Restructured book as % of advances represents standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.*

(15) *Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.*

(16) *Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.*

(17) *Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(18) *Net Interest Margin represents net interest income for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, represented as a percentage.*

(19) *Credit Cost Ratio is calculated as the ratio of total provisions and contingencies (excluding provision for tax) to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.*

(20) *Operating Expenses to Average Total Assets represents operating expenses for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*

(21) *Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/fiscal year, expressed as a percentage.*

(22) Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to Average Total Assets for the relevant period/fiscal year, expressed as a percentage.
(23) Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.
(24) Basic EPS: Basic EPS as reported by the company represents EPS as computed in accordance with Indian Accounting Standard 20.

III. Ujjivan Small Finance Bank Limited

Certain Key GAAP Measures and Key Performance Indicators (KPIs)		FY 2021	FY 2022	FY 2023
Operations	Banking Outlets (1)	575	575	629
	AUM (in INR million) (2)	151,399.60	174,876.50	240,850.00
	AUM Growth (%) (3)	NA	15.51%	37.73%
	Deposits (in INR million)	131,357.70	182,922.20	255,380.00
	Deposits Growth (%) (4)	NA	39.26%	39.61%
	CASA Ratio (%) (5)	20.55%	27.30%	26.41%
	CASA + Retail Term Deposits Ratio (as percentage of total deposits) (6)	47.52%	54.24%	66.03%
Capital	Net worth (in INR million) (7)	31,750.20	27,604.30	41,580.00
	Total Capital Ratio (CRAR) (%) (8)	26.44%	18.99%	25.81%
	Tier 1 Capital Ratio (%) (9)	25.06%	17.70%	22.69%
	Cost of Deposits (%) (10)	6.53%	5.69%	-
	Cost of Funds (%) (11)	6.93%	5.70%	6.08%
Asset Quality	Gross NPA (%) (12)	7.07%	7.34%	2.88%
	Provision Coverage Ratio (%) (13)	60.34%	92.20%	98.00%
	Restructured Book as % of Advances (%) (14)	NA	NA	NA
	Net NPA (%) (15)	2.93%	0.61%	0.04%
Profitability	Pre-Provision Operating Profit (PPOP)(16)	808.41	591.00	1,484.91
	Net Profit (in INR million)	82.97	(4,145.90)	10,999.20
	Yield on Advances (%) (17)	18.22%	16.73%	19.73%
	Net Interest Margin (%) (18)	8.91%	8.07%	9.48%
	Credit Cost Ratio (%) (19)	5.60%	7.41%	0.09%
	Operating Expenses to Average Total Assets (%) (20)	6.34%	6.80%	6.33%
	Cost to Income Ratio (%) (21)	60.34%	71.68%	54.82%
	Return on Average Assets (%) (22)	0.04%	(1.89)%	3.86%
	Return on Average Equity (%) (23)	0.26%	(13.97)%	31.80%
	Basic EPS (in INR) (24)	0.05	(2.40)	5.88

Source: Fitch Report

(1) Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year.
(2) AUM represents Advances under Management and is calculated as the sum of gross advances plus advances originated and transferred under securitization, assignment and inter-bank participation certificates for which the company continues to hold collection responsibilities.
(3) AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.
(4) Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.
(5) CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.
(6) CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.
(7) Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.
(8) CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.
(9) Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.
(10) Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to average deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.
(11) Cost of funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/fiscal year, expressed as a percentage.
(12) Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.
(13) Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including Technical Write off and Gross NPA, including Technical write off.
(14) Restructured book as % of advances represents standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.
(15) Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.
(16) Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.
(17) Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.
(18) Net Interest Margin represents net interest income for the relevant period/fiscal year to the average total assets for the relevant period/fiscal year, represented as a percentage.

(19) *Credit Cost Ratio is calculated as the ratio of total provisions and contingencies (excluding provision for tax) to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.*

(20) *Operating Expenses to Average Total Assets represents operating expenses for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*

(21) *Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/fiscal year, expressed as a percentage.*

(22) *Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*

(23) *Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.*

(24) *Basic EPS: Basic EPS as reported by the company represents EPS as computed in accordance with Indian Accounting Standard 20.*

IV. Suryoday Small Finance Bank Limited

Certain Key GAAP Measures and Key Performance Indicators (KPIs)		FY 2021	FY 2022	FY 2023
Operations	Banking Outlets (1)	556	565	577
	AUM (in INR million) (2)	42,060.00	50,640.00	61,140.00
	AUM Growth (%) (3)	NA	20.40%	20.73%
	Deposits (in INR million)	32,556.76	38,498.02	51,667.20
	Deposits Growth (%) (4)	NA	18.25%	34.21%
	CASA Ratio (%) (5)	15.45%	18.81%	17.11%
	CASA + Retail Term Deposits Ratio (as percentage of total deposits) (6)	80.00%	78.14%	73.10%
Capital	Net worth (in INR million) (7)	15,969.00	15,051.20	15,847.30
	Total Capital Ratio (CRAR) (%) (8)	51.47%	37.86%	33.72%
	Tier 1 Capital Ratio (%) (9)	47.23%	34.44%	30.80%
	Cost of Deposits (%) (10)	7.81%	6.43%	NA
	Cost of Funds (%) (11)	8.09%	6.31%	6.10%
Asset Quality	Gross NPA (%) (12)	9.41%	11.80%	3.13%
	Provision Coverage Ratio (%) (13)	63.73%	69.83%	51.43%
	Restructured Book as % of Advances (%) (14)	2.70%	10.40%	NA
	Net NPA (%) (15)	4.73%	5.97%	1.55%
Profitability	Pre-Provision Operating Profit (PPOP)(16)	181.34	264.91	337.40
	Net Profit (in INR million)	118.55	(930.32)	777.00
	Yield on Advances (%) (17)	17.73%	18.72%	19.04%
	Net Interest Margin (%) (18)	6.80%	7.85%	8.28%
	Credit Cost Ratio (%) (19)	4.50%	8.98%	4.40%
	Operating Expenses to Average Total Assets (%) (20)	5.44%	5.55%	5.62%
	Cost to Income Ratio (%) (21)	64.44%	60.93%	60.02%
	Return on Average Assets (%) (22)	0.20%	(1.25)%	0.86%
	Return on Average Equity (%) (23)	0.89%	(6.00)%	5.03%
	Basic EPS (in INR) (24)	1.32	(8.76)	7.32

Source: Fitch Report

(1) *Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year.*

(2) *AUM represents Advances under Management and is calculated as the sum of gross advances plus advances originated and transferred under securitization, assignment and inter-bank participation certificates for which the company continues to hold collection responsibilities.*

(3) *AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.*

(4) *Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.*

(5) *CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(6) *CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.*

(7) *Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.*

(8) *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*

(9) *Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.*

(10) *Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to the total average as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(11) *Cost of funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(12) *Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*

(13) *Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including Technical Write off and Gross NPA, including Technical write off.*

(14) *Restructured book as % of advances represents standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.*

[15] *Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.*

[16] *Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.*

[17] *Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.*

[18] *Net Interest Margin represents net interest income for the relevant period/fiscal year to the average total assets for the relevant period/fiscal year, represented as a percentage.*

[19] *Credit Cost Ratio is calculated as the ratio of total provisions and contingencies (excluding provision for tax) to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.*

[20] *Operating Expenses to Average Total Assets represents operating expenses for the relevant period/fiscal year to the average total assets for the relevant period/fiscal year, expressed as a percentage.*

[21] *Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/fiscal year, expressed as a percentage.*

[22] *Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to average total assets for the relevant period/fiscal year, expressed as a percentage.*

[23] *Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.*

[24] *Basic EPS: Basic EPS as reported by the company represents EPS as computed in accordance with Indian Accounting Standard 20.*

V. Bandhan Bank

Certain Key GAAP Measures and Key Performance Indicators (KPIs)		FY 2021	FY 2022	FY 2023
Operations	Banking Outlets [1]	5,310	5,639	5,723
	AUM (in INR million) [2]	870,430.00	993,380.00	1,091,200.00
	AUM Growth (%) [3]	NA	14.13%	9.85%
	Deposits (in INR million)	779,722.25	963,306.13	1,080,693.13
	Deposits Growth (%) [4]	NA	23.54%	12.19%
	CASA Ratio (%) [5]	43.38%	41.61%	39.29%
	CASA + Retail Term Deposits Ratio (as percentage of total deposits) [6]	78.79%	77.28%	71.20%
Capital	Net worth (in INR million) [7]	174,081.84	173,811.45	195,841.53
	Total Capital Ratio (CRAR) (%) [8]	23.47%	20.10%	19.76%
	Tier 1 Capital Ratio (%) [9]	22.48%	18.89%	18.70%
	Cost of Deposits (%) [10]	5.87%	4.95%	NA
	Cost of Funds (%) [11]	5.89%	4.88%	5.34%
Asset Quality	Gross NPA (%) [12]	6.81%	6.46%	4.87%
	Provision Coverage Ratio (%) [13]	67.38%	87.23%	76.82%
	Restructured Book as % of Advances (%) [14]	NA	NA	NA
	Net NPA (%) [15]	3.51%	1.66%	1.17%
Profitability	Pre-Provision Operating Profit (PPOP)[16]	6,855.26	8,013.40	7,091.35
	Net Profit (in INR million)	22,054.57	1,257.94	21,946.38
	Yield on Advances (%) [17]	14.69%	13.88%	13.86%
	Net Interest Margin (%) [18]	7.32%	6.87%	6.29%
	Credit Cost Ratio (%) [19]	6.67%	8.98%	4.23%
	Operating Expenses to Average Total Assets (%) [20]	2.73%	2.78%	3.15%
	Cost to Income Ratio (%) [21]	29.13%	30.54%	39.54%
	Return on Average Assets (%) [22]	2.13%	0.10%	1.49%
	Return on Average Equity (%) [23]	13.53%	0.72%	11.87%
	Basic EPS (in INR) [24]	13.70	0.78	13.62

Source: Fitch Report

[1] *Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year.*

[2] *AUM represents Advances under Management and is calculated as sum of gross advances plus advances originated and transferred under securitization, assignment and inter-bank participation certificates for which the company continues to hold collection responsibilities.*

[3] *AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.*

[4] *Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.*

[5] *CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

[6] *CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.*

[7] *Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.*

[8] *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*

[9] *Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.*

[10] *Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to the average deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(11) *Cost of funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(12) *Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*
(13) *Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including Technical Write off and Gross NPA, including Technical write off.*
(14) *Restructured book as % of advances represents standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.*
(15) *Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.*
(16) *Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.*
(17) *Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(18) *Net Interest Margin represents net interest income for the relevant period/fiscal year to the average total assets for the relevant period/fiscal year, represented as a percentage.*
(19) *Credit Cost Ratio is calculated as the ratio of total provisions and contingencies (excluding provision for tax) to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.*
(20) *Operating Expenses to Average Total Assets represents operating expenses for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*
(21) *Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/ fiscal year, expressed as a percentage.*
(22) *Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*
(23) *Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.*
(24) *Basic EPS: Basic EPS as reported by the company represents EPS as computed in accordance with Indian Accounting Standard 20.*

VI. Credit Access Grameen

Certain Key GAAP Measures and Key Performance Indicators (KPIs)		FY 2021	FY 2022	FY 2023
Operations	Banking Outlets [1]	964	1,164	1,786
	AUM (in INR million) [2]	113,410.00	137,320.00	175,610.00
	AUM Growth (%) [3]	NA	21.08%	27.88%
	Deposits (in INR million)	NM	NM	NM
	Deposits Growth (%) [4]	NM	NM	NM
	CASA Ratio (%) [5]	NM	NM	NM
	CASA + Retail Term Deposits Ratio (as percentage of total deposits) [6]	NM	NM	NM
Capital	Net worth (in INR million) [7]	36,340.00	39,398.00	51,069.40
	Total Capital Ratio (CRAR) (%) [8]	31.75%	26.54%	23.58%
	Tier 1 Capital Ratio (%) [9]	30.50%	25.87%	NA
	Cost of Deposits (%) [10]	NM	NM	NM
	Cost of Funds (%) [11]	8.82%	8.18%	8.30%
Asset Quality	Gross NPA (%) [12]	4.38%	3.12%	1.21%
	Provision Coverage Ratio (%) [13]	NA	70.55%	71.58%
	Restructured Book as % of Advances (%) [14]	NA	NA	NA
	Net NPA (%) [15]	1.37%	0.94%	0.35%
Profitability	Pre-Provision Operating Profit (PPOP)[16]	850.00	1,087.40	1,506.41
	Net Profit (in INR million)	1,423.90	3,821.40	8,260.30
	Yield on Advances (%) [17]	19.67%	19.16%	19.39%
	Net Interest Margin (%) [18]	9.80%	9.72%	10.75%
	Credit Cost Ratio (%) [19]	6.85%	4.87%	2.37%
	Operating Expenses to Average Total Assets (%) [20]	3.84%	3.93%	4.23%
	Cost to Income Ratio (%) [21]	34.57%	35.38%	37.48%
	Return on Average Assets (%) [22]	1.22%	2.78%	4.20%
	Return on Average Equity (%) [23]	4.52%	9.05%	17.81%
	Basic EPS (in INR) [24]	9.52	24.54	52.04

Source: Fitch Report

(1) *Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year.*
(2) *AUM represents Advances under Management and is calculated as sum of gross advances plus advances originated and transferred under securitization, assignment and inter-bank participation certificates for which the company continues to hold collection responsibilities.*
(3) *AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.*
(4) *Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.*
(5) *CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(6) *CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.*
(7) *Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.*
(8) *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*
(9) *Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.*
(10) *Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to the average deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(11) *Cost of funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(12) *Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*
(13) *Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including Technical Write off and Gross NPA, including Technical write off.*
(14) *Restructured book as % of advances represents standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.*
(15) *Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.*
(16) *Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.*
(17) *Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(18) *Net Interest Margin represents net interest income for the relevant period/fiscal year to the average total assets for the relevant period/fiscal year, represented as a percentage.*
(19) *Credit Cost Ratio is calculated as the ratio of total provisions and contingencies (excluding provision for tax) to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.*
(20) *Operating Expenses to Average Total Assets represents operating expenses for the relevant period/fiscal year to the average total assets for the relevant period/fiscal year, expressed as a percentage.*
(21) *Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/fiscal year, expressed as a percentage.*
(22) *Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to average total assets for the relevant period/fiscal year, expressed as a percentage.*
(23) *Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.*
(24) *Basic EPS: Basic EPS as reported by the company represents EPS as computed in accordance with Indian Accounting Standard 20.*

VII. Spandana Sphoorthy

Certain Key GAAP Measures and Key Performance Indicators (KPIs)		FY 2021	FY 2022	FY 2023
Operations	Banking Outlets [1]	1,052	1,120	1,227
	AUM (in INR million) [2]	73,284.82	65,810.00	85,110.00
	AUM Growth (%) [3]	NA	(10.20)%	29.33%
	Deposits (in INR million)	NM	NM	NM
	Deposits Growth (%) [4]	NM	NM	NM
	CASA Ratio (%) [5]	NM	NM	NM
	CASA + Retail Term Deposits Ratio (as percentage of total deposits) [6]	NM	NM	NM
Capital	Net worth (in INR million) [7]	27,510.97	30,899.45	30,992.48
	Total Capital Ratio (CRAR) (%) [8]	39.20%	50.74%	36.87%
	Tier 1 Capital Ratio (%) [9]	39.74%	50.55%	NA
	Cost of Deposits (%) [10]	NM	NM	NM
	Cost of Funds (%) [11]	10.10%	11.86%	12.86%
Asset Quality	Gross NPA (%) [12]	5.60%	15.00%	1.95%
	Provision Coverage Ratio (%) [13]	NA	NA	70.00%
	Restructured Book as % of Advances (%) [14]	NA	NA	NA
	Net NPA (%) [15]	3.10%	6.20%	0.58%
Profitability	Pre-Provision Operating Profit (PPOP)[16]	848.33	451.24	562.13
	Net Profit (in INR million)	1,454.60	698.27	123.94
	Yield on Advances (%) [17]	22.88%	21.47%	19.24%
	Net Interest Margin (%) [18]	14.73%	12.12%	9.96%
	Credit Cost Ratio (%) [19]	10.83%	7.72%	8.20%
	Operating Expenses to Average Total Assets (%) [20]	3.26%	4.76%	5.55%
	Cost to Income Ratio (%) [21]	21.63%	38.56%	44.84%
	Return on Average Assets (%) [22]	2.02%	0.91%	0.15%
	Return on Average Equity (%) [23]	5.41%	2.38%	0.40%
	Basic EPS (in INR) [24]	22.55	10.75	1.74

Source: Fitch Report
(1) *Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year.*
(2) *AUM represents Advances under Management and is calculated as sum of gross advances plus advances originated and transferred under securitization, assignment and inter-bank participation certificates for which the company continues to hold collection responsibilities.*

(3) *AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.*
(4) *Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.*
(5) *CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(6) *CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.*
(7) *Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.*
(8) *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*
(9) *Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.*
(10) *Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to the average deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(11) *Cost of funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(12) *Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*
(13) *Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including Technical Write off and Gross NPA, including Technical write off.*
(14) *Restructured book as % of advances represents standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.*
(15) *Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.*
(16) *Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.*
(17) *Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.*
(18) *Net Interest Margin represents net interest income for the relevant period/fiscal year to the average total assets for the relevant period/fiscal year, represented as a percentage.*
(19) *Credit Cost Ratio is calculated as the ratio of total provisions and contingencies (excluding provision for tax) to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.*
(20) *Operating Expenses to average total assets represents operating expenses for the relevant period/fiscal year to the Average Total Assets for the relevant period/fiscal year, expressed as a percentage.*
(21) *Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/fiscal year, expressed as a percentage.*
(22) *Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to average total assets for the relevant period/fiscal year, expressed as a percentage.*
(23) *Return on Average Equity is calculated as the net profit for the relevant period/ fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.*
(24) *Basic EPS: Basic EPS as reported by the company represents EPS as computed in accordance with Indian Accounting Standard 20.*

VIII. Fusion Micro Finance Limited

Certain Key GAAP Measures and Key Performance Indicators (KPIs)		FY 2021	FY 2022	FY 2023
Operations	Banking Outlets (1)	725	934	1,086
	AUM (in INR million) (2)	46,378.40	67,859.70	92,960.00
	AUM Growth (%) (3)	NA	46.32%	36.99%
	Deposits (in INR million)	NM	NM	NM
	Deposits Growth (%) (4)	NM	NM	NM
	CASA Ratio (%) (5)	NM	NM	NM
	CASA + Retail Term Deposits Ratio (as percentage of total deposits) (6)	NM	NM	NM
Capital	Net worth (in INR million) (7)	12,463.55	13,379.51	23,219.19
	Total Capital Ratio (CRAR) (%) (8)	27.26%	21.94%	27.94%
	Tier 1 Capital Ratio (%) (9)	25.52%	19.93%	NA
	Cost of Deposits (%) (10)	NM	NM	NM
	Cost of Funds (%) (11)	10.29%	9.83%	10.24%
Asset Quality	Gross NPA (%) (12)	5.50%	5.71%	3.46%
	Provision Coverage Ratio (%) (13)	NA	71.26%	75.50%
	Restructured Book as % of Advances (%) (14)	NA	NA	0.20%
	Net NPA (%) (15)	2.20%	1.71%	0.87%
Profitability	Pre-Provision Operating Profit (PPOP)(16)	277.57	393.25	712.35
	Net Profit (in INR million)	439.44	217.55	3,871.45
	Yield on Advances (%) (17)	21.48%	20.56%	22.92%
	Net Interest Margin (%) (18)	9.54%	8.66%	11.50%
	Credit Cost Ratio (%) (19)	5.73%	7.17%	2.87%
	Operating Expenses to Average Total Assets (%) (20)	4.37%	4.75%	5.34%
	Cost to Income Ratio (%) (21)	44.26%	44.26%	38.44%
	Return on Average Assets (%) (22)	0.87%	0.33%	4.65%
	Return on Average Equity (%) (23)	3.60%	1.68%	21.16%

Certain Key GAAP Measures and Key Performance Indicators (KPIs)		FY 2021	FY 2022	FY 2023
	Basic EPS (in INR) [24]	5.56	2.67	43.29

Source: Fitch Report

(1) *Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year.*

(2) *AUM represents Advances under Management and is calculated as sum of gross advances plus advances originated and transferred under securitization, assignment and inter-bank participation certificates for which the company continues to hold collection responsibilities.*

(3) *AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.*

(4) *Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.*

(5) *CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(6) *CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.*

(7) *Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.*

(8) *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*

(9) *Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.*

(10) *Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to the average deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(11) *Cost of funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(12) *Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*

(13) *Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including Technical Write off and Gross NPA, including Technical write off.*

(14) *Restructured book as % of advances represents standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.*

(15) *Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.*

(16) *Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.*

(17) *Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(18) *Net Interest Margin represents net interest income for the relevant period/fiscal year to the average total assets for the relevant period/fiscal year, represented as a percentage.*

(19) *Credit Cost Ratio is calculated as the ratio of total provisions and contingencies (excluding provision for tax) to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.*

(20) *Operating Expenses to Average Total Assets represents operating expenses for the relevant period/fiscal year to the average total assets for the relevant period/fiscal year, expressed as a percentage.*

(21) *Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/fiscal year, expressed as a percentage.*

(22) *Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to average total assets for the relevant period/fiscal year, expressed as a percentage.*

(23) *Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/ fiscal year, expressed as a percentage.*

(24) *Basic EPS: Basic EPS as reported by the company represents EPS as computed in accordance with Indian Accounting Standard 20.*

IX. Utkarsh Small Finance Bank

Key Performance Indicators (KPIs)		FY 2021	FY 2022	FY 2023
Operations	Banking Outlets[1]	558	686	830
	AUM (₹ in million) [2]	84,156.60	106,307.25	139,571.08
	AUM Growth (%)[3]	NA	26.32%	31.29%
	Total Deposits (₹ in million)	75,075.68	100,741.83	137,101.40
	Total Deposits Growth (%)[4]	NA	34.19%	36.09%
	CASA Ratio (%)[5]	17.68%	22.37%	20.89%
	CASA + Retail Term Deposits Ratio (as percentage of Total Deposits) (%)[6]	57.51%	59.64%	61.55%
Capital	Net Worth (₹ in million) [7]	13,683.53	15,722.97	20,003.21
	Total Capital Ratio (CRAR) (%)[8]	21.88%	21.59%	20.64%
	Tier 1 Capital Ratio (%)[9]	19.98%	18.08%	18.25%
	Cost of Deposits (%)[10]	7.89%	6.92%	6.71%
	Cost of Funds (%)[11]	8.27%	7.47%	6.96%
Asset Quality	Gross NPA (%)[12]	3.75%	6.10%	3.23%
	Provision Coverage Ratio (excluding technical write-offs)(%) [13]	65.49%	63.62%	88.29%
	Standard Restructured Advances (%)[14]	3.13%	1.26%	0.22%
	Net NPA (%)[15]	1.33%	2.31%	0.39%
	Pre-Provision Operating Profit (PPOP) [16]	NA	NA	NA

Key Performance Indicators (KPIs)		FY 2021	FY 2022	FY 2023
Profitability	Net Profit (₹ in million)	1,118.15	614.62	4,045.02
	Yield on Advances (%)(17)	20.64%	19.57%	19.88%
	Net Interest Margin (%)(18)	8.20%	8.75%	9.57%
	Credit Cost Ratio (%)(19)	3.97%	5.03%	2.61%
	Operating Expenses to Total Average Assets (%)(20)	5.10%	5.78%	5.92%
	Cost to Income Ratio (%)(21)	56.54%	58.90%	54.15%
	Return on Total Average Assets (%)(22)	1.05%	0.48%	2.42%
	Return on Average Equity (%)(23)	9.99%	4.14%	22.84%
	Basic EPS(24)	1.46	0.70	4.52

(1) *Number of banking outlets represents aggregate number of banking outlets (including Business Correspondent run outlets) as of the last day of the relevant period/year.*

(2) *AUM represents Advances under Management and is calculated as sum of gross advances plus advances originated and transferred under securitization, assignment and inter-bank participation certificates for which the company continues to hold collection responsibilities.*

(3) *AUM growth represents growth in AUM as of the last day of the relevant period/fiscal year over AUM as of the last day of the previous period/fiscal year.*

(4) *Deposits growth represents the percentage increase in deposits as of the last day of the relevant period/fiscal year over deposits as of the last day of the previous period/fiscal year.*

(5) *CASA Ratio represents current account deposits and savings account deposits (together, "CASA") to total deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(6) *CASA + Retail Term Deposits Ratio represents CASA and retail term deposits (term deposits of less than Rs. 20 million) to total deposits as of the last day of the relevant period/fiscal year, expressed for the period as a percentage.*

(7) *Net worth represents the sum of equity share capital and reserves and surplus as of the last day of the relevant period/fiscal year.*

(8) *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*

(9) *Tier 1 Capital Ratio (%) of the last day as of the last day of the relevant period/fiscal year as reported by the company.*

(10) *Cost of Deposits represents interest expense on deposits for the relevant period/fiscal year to the average deposits as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(11) *Cost of funds represents total interest expense for the relevant period/fiscal year to the average of sum of deposits and borrowings as of the last day of the relevant period/ fiscal year, expressed as a percentage.*

(12) *Gross NPA (%) as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*

(13) *Provision Coverage Ratio (%) – Provision Coverage Ratio represents the ratio of NPA provision including Technical Write off and Gross NPA, including Technical write off.*

(14) *Restructured book as % of advances represents standard restructured book to net advances as of the last day of the relevant period/fiscal year, expressed as percentage.*

(15) *Net NPA disclosed by the company as of the last day of the relevant period/fiscal year.*

(16) *Pre-Provision Operating Profit represents difference of total income and expenses including interest expense and operating expenses for the period.*

(17) *Yield on Advances represents the ratio of interest income on loan assets for the relevant period/fiscal year to the average net advances as of the last day of the relevant period/fiscal year, expressed as a percentage.*

(18) *Net Interest Margin represents net interest income for the relevant period/fiscal year to the average total assets for the relevant period/fiscal year, represented as a percentage.*

(19) *Credit Cost Ratio is calculated as the ratio of total provisions and contingencies (excluding provision for tax) to the company's average net advances for the relevant period/fiscal year, expressed as a percentage.*

(20) *Operating Expenses to Average Total Assets represents operating expenses for the relevant period/fiscal year to the average total assets for the relevant period/fiscal year, expressed as a percentage.*

(21) *Cost to Income Ratio represents operating expenses for the relevant period/fiscal year to the sum of Net Interest Income (interest earned minus interest expended) and other income for the relevant period/fiscal year, expressed as a percentage.*

(22) *Return on Average Assets is calculated as the net profit for the relevant period/fiscal year to average total assets for the relevant period/ fiscal year, expressed as a percentage.*

(23) *Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.*

(24) *Basic EPS: Basic EPS as reported by the company represents EPS as computed in accordance with Indian Accounting Standard 20.*

K. Price per share of the Bank (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Bank in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Date of Issuance	Name of Allotee	No. of Equity Shares allotted	% of paid-up capital (fully diluted prior to allotment)	Price per Equity Share allotted	Cumulative No. of Equity Shares	Cumulative amount paid for the Equity Shares
August 5, 2022	TPG Asia VI SF Pte. Ltd.	51,676	0.08%	580.55	51,676	30,000,501.80
	Harbourvest Partners Co-Investment Fund IV L.P	237,309	0.38%	580.55	288,985	167,770,241.75
	Harbourvest Partners Co-Investment IV AIF L.P	62,323	0.10%	580.55	351,308	203,951,859.40
	Harbourvest Skew Base AIF L.P	7,377	0.01%	580.55	358,685	208,234,576.75
	HIPEP VIII Partnership Fund L.P	28,765	0.05%	580.55	387,450	224,934,097.50
	HIPEP VIII Partnership AIF L.P	19,176	0.03%	580.55	406,626	236,066,724.30
	Harbourvest Asia Pacific Fund VIII L.P	4,195	0.01%	580.55	410,821	238,502,131.55
	HarbourVest Asia Pacific VIII AIF L.P	7,790	0.01%	580.55	418,611	243,024,616.05
	HarbourVest Co-Investment Opportunities Fund L. P	29,964	0.05%	580.55	448,575	260,420,216.25
	HarbourVest Co-Invest 2017 Private Equity Partners L.P	59,926	0.10%	580.55	508,501	295,210,255.55
	The Maple Fund L.P.	59,926	0.10%	580.55	568,427	330,000,294.85
	Sahil Jain	17,226	0.03%	580.55	585,653	340,000,849.15
	Ashwin Prakashchandra Kedia	34,451	0.06%	580.55	620,104	360,001,377.20
	Sachin Rashmikant Shah	17,226	0.03%	580.55	637,330	370,001,931.50
	Pankaj Bhalla	253	0.00%	10.00	637,583	370,004,461.50
	Sandeep Arora	69	0.00%	10.00	637,652	370,005,151.50
August 19, 2022	TPG Asia VI SF Pte. Ltd.	3,082,772	5.02%	389.26	3,720,424	1,570,004,980.22
June 26, 2023	QRG Investments and Holdings Limited	936,841	1.38%	302.98	4,657,265	1,853,849,066.40
	Vallabh Bhanshali	32,259	0.05%	302.98	4,689,524	1,863,622,898.22
	Enam Securities Private Limited	1,159	0.00%	302.98	4,690,683	1,863,974,052.04
	Vallabh Bhanshali HUF	54,019	0.08%	302.98	4,744,702	1,880,340,728.66
	ICICI Prudential Life Insurance Company Limited	349,099	0.52%	302.98	5,093,801	1,986,110,743.68
	Ashwin Prakashchandra Kedia	165,027	0.24%	302.98	5,258,828	2,036,110,624.14
	Ravi Duvvuru	10,000	0.01%	302.98	5,268,828	2,039,140,424.14
	Alexander John	156	0.00%	302.98	5,268,984	2,039,187,689.02

	Amit Raj Bakshi	113	0.00%	302.98	5,269,097	2,039,221,925.76
	Sahil Jain	17,774	0.03%	302.98	5,286,871	2,044,607,092.28
	Sachin Rashmikant Shah	17,774	0.03%	302.98	5,304,645	2,049,992,258.80
	Treeline Asia Master Fund (Singapore) Pte. Ltd.	446,314	0.66%	302.98	5,750,959	2,185,216,474.52
	Amansa Holdings Pte. Limited	2,700,000	3.99%	302.98	8,450,959	3,003,262,474.52
	Volrado Venture Partners Fund III-Beta	1,353,224	2.00%	302.98	9,804,183	3,413,262,282.04
	Anchorage Capital Scheme I	1,660,000	2.45%	302.98	11,464,183	3,916,209,082.04
	Singularity Growth opportunities fund I	45,791	0.07%	302.99	11,509,974	3,930,083,297.13
	OHM Investment corporation	1,175,000	1.74%	302.98	12,684,974	4,286,084,797.13
	Ashish Kacholia	970,000	1.43%	302.98	13,654,974	4,579,975,397.13
	Bengal Finance & Investment Pvt Ltd.,	970,000	1.43%	302.98	14,624,974	4,873,865,997.13
	Pivotal Enterprises Private Limited	650,000	0.96%	302.98	15,274,974	5,070,802,997.13
	Talwar Enterprises	525,000	0.78%	302.98	15,799,974	5,229,867,497.13
	Astralit Investment P. Ltd	360,000	0.53%	302.98	16,159,974	5,338,940,297.13
	Anjana Projects Private Limited	330,000	0.49%	302.98	16,489,974	5,438,923,697.13
	Emerge capital opportunities scheme	165,000	0.24%	302.98	16,654,974	5,488,915,397.13
	Antique securites Pvt. Ltd.	165,000	0.24%	302.98	16,819,974	5,538,907,097.13
	Uday Shah	160,000	0.24%	302.98	16,979,974	5,587,383,897.13
	Plutus Capital	160,000	0.24%	302.98	17,139,974	5,635,860,697.13
	Ramesh S. Damani	115,000	0.17%	302.98	17,254,974	5,670,703,397.13
	Ruchira Damani	115,000	0.17%	302.98	17,369,974	5,705,546,097.13
	Gagan Chaturvedi	95,000	0.14%	302.98	17,464,974	5,734,329,197.13
	Neera Mishra	95,000	0.14%	302.98	17,559,974	5,763,112,297.13
	GDN Ventures LLP	80,000	0.12%	302.98	17,639,974	5,787,350,697.13
	Mridula Sanchety	64,000	0.09%	302.98	17,703,974	5,806,741,417.13
	Rashmi Karnani	32,000	0.05%	302.98	17,735,974	5,816,436,777.13
	Binit Shah	32,000	0.05%	302.98	17,767,974	5,826,132,137.13
	Premal N Parikh	32,000	0.05%	302.98	17,799,974	5,835,827,497.13
	Priya Bhutra	32,000	0.05%	302.98	17,831,974	5,845,522,857.13
	Bimal Parikh	32,000	0.05%	302.98	17,863,974	5,855,218,217.13
	Rajiv Choksey	32,000	0.05%	302.98	17,895,974	5,864,913,577.13
	Ankita Choksey	32,000	0.05%	302.98	17,927,974	5,874,608,937.13

	Vipul R Shah	16,000	0.02%	302.98	17,943,974	5,879,456,617.13
	Mayur Gathani	16,000	0.02%	302.98	17,959,974	5,884,304,297.13
	Evolute Ventures private limited	16,000	0.02%	302.98	17,975,974	5,889,151,977.13
	Parag Mehta	16,000	0.02%	302.98	17,991,974	5,893,999,657.13
	Paras Mehta	16,000	0.02%	302.98	18,007,974	5,898,847,337.13
	Prashant N Sheth	11,500	0.02%	302.98	18,019,474	5,902,331,607.13
	Ketan Shah	6,500	0.01%	302.98	18,025,974	5,904,300,977.13
	Chanakya Corporate Services Pvt. Ltd.	495,082	0.73%	302.98	18,521,056	6,054,300,921.49
	Shobha Parvathaneni	50,000	0.07%	302.98	18,571,056	6,069,449,921.49
June 30, 2023	Dovetail India Fund – Class 6 Shares (Converted into Equity Shares on July 31, 2023)	660,110	0.98%	302.98	19,231,166	6,269,449,921.49
	Deepak Talwar (Converted into Equity Shares on July 31, 2023)	33,006	0.05%	302.98	19,264,172	6,279,449,921.49
	Volrado Venture Partners Fund III-Beta (Converted into Equity Shares on July 31, 2023)	1.749,291	2.59%	302.98	21,013,463	6,809,449,921.49
	Singularity Growth Opportunities Fund I (Converted into Equity Shares on July 31, 2023)	1,254,209	1.85%	302.98	22,267,672	7,189,449,921.49
Total					**22,267,672**	**7,189,449,921.49**
Weighted average cost of acquisition**						**322.86**

*** As certified by JHS & Associates LLP, Chartered Accountants pursuant to their certificate dated February 9, 2024.*

L. Price per share of the Bank (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Selling Shareholders or other shareholders with rights to nominate directors during the 18 months preceding the date of filing of the Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Bank (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

Except as disclosed below, there has been no secondary sale/ acquisitions of Equity Shares or any convertible securities ("**Security(ies)**"), where the Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Bank (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Secondary Sale/Acquisition	Name of Transferor	Name of Transferee	No. of Equity Shares/ CCPS sold/acquired	% of paid up capital	Price per Equity Shares/CCPS sold/acquired	Cumulative No. of Equity Shares sold/ acquired	Cumulative amount paid for the Equity Shares/ CCPS
August 16, 2023	Hero Ventures	Elpro International Limited	7,22,256	0.79%	346.14	7,22,256	25,00,00,000
		Bharti (Satya) Trustees Private Limited	28,89,023	3.18%	346.14	36,11,279	1,25,00,00,000
		Par Solar Private Limited	3,61,128	0.40%	346.14	39,72,407	1,37,50,00,000
		Spark Fund Advisors LLP	7,22,256	0.79%	346.14	46,94,663	1,62,50,00,000
		Bengal Rubber Company Limited	1,44,451	0.16%	346.14	48,39,114	1,67,50,00,000
		Central India Industries Limited	2,88,902	0.32%	346.14	51,28,016	1,77,50,00,000
		Universal Trading Company Limited	1,44,451	0.16%	346.14	52,72,467	1,82,50,00,000
		Ranchi Enterprises And Properties Ltd.	2,88,902	0.32%	346.14	55,61,369	1,92,50,00,000
		Amer Investments (Delhi) Limited	1,44,451	0.16%	346.14	57,05,820	1,97,50,00,000
		Shikhar Rajsakshi Sinha	3,61,128	0.40%	346.14	60,66,948	2,10,00,00,000
		Puran Associates Private Limited	14,44,511	1.59%	346.14	75,11,459	2,60,00,00,000
		Ananta Capital Ventures Fund 1	11,55,609	1.27%	346.14	86,67,068	3,00,00,00,000
September 1, 2023	Spark Fund Advisors LLP	Shikhar Rajsakshi Sinha	2,81,427	0.31%	346.14	89,48,495	3,09,74,12,480
September 15, 2023	Spark Fund Advisors LLP	P Deepak	26,414	0.03%	346.14	89,74,909	3,10,65,55,328
		Bijoy Paulose	26,414	0.03%	346.14	90,01,323	3,11,56,98,176
		Dhankalash Distributors Private Limited	1,05,055	0.12%	346.14	91,06,378	3,15,20,61,792
		Genesis Exports Ltd	25,969	0.03%	346.13	91,32,347	3,16,10,50,528
		Tarak Bhikhalal Madhani HUF	19,402	0.02%	346.14	91,51,749	3,16,77,66,400

		Kurugod Setra Mayurnathlatha Mayur	26,414	0.03%	346.14	91,78,163	3,17,69,09,280
		Neelanchal Edifice LLP	1,58,483	0.17%	346.14	93,36,646	3,23,17,66,400
Total			93,36,646	10.28%			
Weighted average cost of acquisition						**346.14**	

M. **The weighted average cost of acquisition at which the Equity Shares were issued by our Bank, or acquired or sold by our Promoters, the Promoter Group or other shareholders with rights to nominate directors in the last 18 months preceding the date of the Red Herring Prospectus are disclosed below:**

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (in ₹)	Cap Price (in ₹)
WACA of Equity Shares that were issued by our Bank	322.86	1.22 times	1.28 times
WACA of Equity Shares that were acquired or sold by way of secondary transactions	346.14	1.14 times	1.20 times

N. Justification for Basis of Issue price

The following provides an explanation to the Cap Price being 1.28 times of weighted average cost of acquisition of primary issuances price and secondary transactions price of equity shares (as disclosed above) along with our Bank's KPIs and financial ratios for the six months ended September 30, 2023, September 30, 2022 and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and in view of external factors, if any.

(i) We are the fourth largest Small Finance Bank in terms of AUM and the fourth largest Small Finance Bank in terms of deposit size as at September 30, 2023. (*Source: Fitch Report*). (ii) As at September 30, 2023, we had 771 banking outlets, including 278 banking outlets in unbanked rural centres, in 22 states and two union territories. (iii) Our gross advances has increased from ₹118,389.82 million as at March 31, 2021 to ₹180,007.41 million as at March 31, 2023, representing a CAGR of 23.31%, and further increased to ₹213,471.30 million as at September 30, 2023, an increase of 18.59%. (iv) Our gross secured advances has increased from ₹50,760.00 million as at March 31, 2021 to ₹99,047.54 million as at March 31, 2023, representing a CAGR of 39.69%, and further increased to ₹122,577.38 million as at September 30, 2023, an increase of 23.76%, and our gross advances of agricultural and allied loans has increased from ₹15,510.70 million as at March 31, 2021 to ₹30,944.43 million as at March 31, 2023, representing a CAGR of 41.25% and further increased to ₹36,141.39 million as at September 30, 2023, an increase of 16.79%. (v) We have been able to leverage the strength of the "Jana" brand to rapidly grow our deposit portfolio since we commenced operations as a Small Finance Bank in March 2018. (vi) Our deposits have increased from ₹123,162.58 million as at March 31, 2021 to ₹163,340.16 million as at March 31, 2023, representing a CAGR of 15.16%, and further increased to ₹189,367.24 million as at September 30, 2023, an increase of 6.28%. (vii) We were among the top four Small Finance Banks in India in terms of deposit size as at September 30, 2023. (*Source: Fitch Report*).

O. The Offer price is 41.40 times of the face value of the Equity Shares

The Offer Price of ₹414 has been determined in compliance with SEBI ICDR Regulations, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 37, 255, 463, and 388, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To

The Board of Directors,
Jana Small Finance Bank Limited
The Fairway, Ground & First Floor,
Survey No. 10/1, 11/2 & 12/2B,
Off Domlur, Koramangala Inner Ring Road,
Next to Embassy Golf Links Business Park,
Challaghatta, Bengaluru -560071

Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the "Equity Shares" and such offering, the "Offer") of 'Jana Small Finance Bank Limited' (the "Bank")

Statement of possible special tax benefits available to the Bank and its shareholders prepared in accordance with the requirements under Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("ICDR Regulations")

Dear Sirs/ Mesdames,

1. We, Brahmayya & Co., Chartered Accountants, and M M Nissim & Co LLP, Chartered Accountants, (together, "**we**" or "**us**" or "**our**" or "**the firms"**), the joint statutory auditors of the Bank, hereby confirm that the enclosed statement prepared and issued by the Bank, which provides the possible special tax benefits under direct and indirect tax laws presently in force in India, available to the Bank and its shareholders. Several of these benefits are dependent on the Bank and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the relevant statues. Hence, the ability of the Bank or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Bank and its shareholders face in the future, the Bank and its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Bank's Management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Bank or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

3. We do not express any opinion or provide any assurance as to whether:
    a. the Bank or its shareholders will continue to obtain these benefits in future; or
    b. the conditions prescribed for availing the benefits have been/would be met with; or
    c. the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Bank and on the basis of our understanding of the business activities and operations of the Bank. We have relied upon the information and documents of the Bank being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firms or any of its partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any revenue

authority / courts within or outside India arising from the supply of incorrect or incomplete information of the Bank.

5. This certificate is addressed to the Board of Directors of the Bank and issued at the specific request of the Bank. The enclosed statement is intended solely for your information and for inclusion in the Red Herring Prospectus, the Prospectus and any other material in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

For Brahmayya & Co.,
Chartered Accountants
(Firm Registration No. 000515S)

G. Srinivas
Partner
Membership No. 086761
UDIN: 24086761BKCIWP4037
Place: Bengaluru
Date: January 18, 2024.

For M M Nissim & Co LLP
Chartered Accountants
(Firm's Registration No. 107122W/W100672)

Navin Kumar Jain
Partner
Membership No. 090847
UDIN: 24090847BKFEFX3250
Place: Kolkata
Date: January 18, 2024.

Encl: Annexure - Statement of Special Tax Benefits

ANNEXURE

Statement of Special Tax Benefits

UNDER THE DIRECT TAX LAWS

A. SPECIAL TAX BENEFITS AVAILABLE TO THE BANK

1. Deduction under section 36(1)(viia) of the Income-tax Act, 1961 (the "IT Act")

The Bank is entitled to accelerated deduction in respect of bad and doubtful debts up to the limit specified under section 36(1)(viia) of the IT Act in computing its income under the head "Profits and gains of business or profession", to the extent of five per cent (5%) of the gross total income (computed before making any deduction under that section and Chapter VI-A of the IT Act), and subject to satisfaction of prescribed conditions.

As per section 36(1)(vii) of the IT Act, where the Bank has claimed deduction under section 36(1)(viia) of the IT Act, then the subsequent claim of deduction of actual bad debts under section 36(1)(vii) of the IT Act shall be reduced to the extent of deduction already claimed under section 36(1)(viia) of the IT Act.

Further, as per section 41(4) of the IT Act, where any deduction has been claimed by the Bank in respect of a bad debt under Section 36(1)(vii) of the IT Act, then any amount subsequently recovered on any such debt is greater than the difference between such debt and the amount so allowed as a deduction under section 36(1)(vii) of the IT Act, the excess shall be deemed to be business income of the year in which it is recovered.

2. Lower corporate tax rate under Section 115BAA of the IT Act

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA with effect from 1st April 2020 i.e. Assessment Year ("**AY**") 2020-21 granting an option to domestic companies wherein domestic companies are entitled to avail a concessional corporate tax rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions. The option once exercised shall apply to subsequent AYs. The concessional rate is subject to a domestic company not availing any of the following deductions under the provisions of the IT Act:

- Section10AA: Tax holiday available to units in a Special Economic Zone.
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB/33ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development.
- Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a domestic company availing the concessional corporate tax rate of 25.17% (i.e. 22% plus surcharge @ 10% plus health & education cess @ 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A domestic company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the IT Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, and accordingly any carried forward of MAT credit cannot be claimed.

The provisions do not specify any limitation/ condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax. The Bank has exercised the aforesaid option to be taxed at the concessional corporate tax rate of 25.17% (including surcharge and cess).

3. Deductions in respect of employment of new employees – Section 80JJAA of the IT Act

As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the IT Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employees' cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub- section (2) of section 80JJAA of the IT Act.

4. **Deduction in respect of inter-corporate dividends – Section 80M of the IT Act**

As per the provisions of section 80M of the IT Act, a resident corporate shareholder can claim a deduction of an amount equal to dividends received from another domestic company or a foreign company or a business trust. Such deduction shall be claimed from gross total income of the resident corporate shareholder and shall not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the IT Act.

5. **Other deductions**

Further, the Bank being a Small Finance Bank, is also eligible for a deduction of 20% of the eligible profits or an amount transferred to the special reserve, whichever is lower, as per the provisions of section 36(1)(viii) of the IT Act in computing its income under the head "Profits and gains of Business or Profession" (computed before making any deduction under this section). However, where the aggregate amounts transferred to such special reserve from time to time, exceeds two hundred percent of the paid-up share capital and general reserves, the Bank shall not get a deduction for such excess.

In terms of section 43D of the IT Act, and subject to the conditions specified therein interest income of a bank and certain other specified financial institutions on certain categories of bad and doubtful debts as specified in Rule 6EA of the Income-tax Rules, 1962, shall be chargeable to tax only in the year of receipt or credit to Profit and Loss Account, whichever is earlier.

B. SPECIAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE BANK

The Bank is required to deduct tax at source on the dividend paid to the shareholders, at applicable rates specified under the Act, subject to Double Taxation Avoidance Agreement, in case of shareholders who are eligible to claim benefit under Double Taxation Avoidance Agreement. In case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, if the income exceeds Rs. 1 crore. However, if the income is between Rs. 50 lakhs to Rs. 1 crore, surcharge at the rate of 10% shall apply. The shareholders would be eligible to claim the credit of such tax in their return of income.

As per the provisions of section 80M of the IT Act, a resident corporate shareholder can claim deduction of an amount equal to dividends received from another domestic company or a foreign company or a business trust. Such deduction shall be claimed from gross total income of the resident corporate shareholder and shall not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the IT Act.

As per Section 112A of the IT Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (plus applicable surcharge and cess) (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the IT Act as well as per Notification No. 60/2018/F.No.370142/9/2017-TPL dated 1st October 2018. Income-tax on long term capital gains is levied where such capital gains exceed Rs.1,00,000 in a AY.

As per Section 111A of the Act, short term capital gains arising from transfer of a listed equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% (plus applicable surcharge and cess) subject to fulfilment of prescribed conditions under the IT Act.

A non-resident shareholder can offer the income to tax under the beneficial provisions of the Double Taxation Avoidance Agreement, if any, subject to eligibility and furnishing of requisite documents such as tax residency certificate, electronically filed Form 10F, No Permanent Establishment Certificate, etc. (as applicable). Further, a non-resident shareholder is eligible to claim foreign tax credit, based on the local laws of the country of which the shareholder is the resident. Shareholders, being Individual and HUF, can opt to be taxed as per the new tax rates mentioned under section 115BAC of the IT Act.

There are no other possible special tax benefits available to the Shareholders of the Bank for investing in the shares of the Bank.

UNDER THE INDIRECT TAX LAWS

The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, (collectively referred to as "GST laws").

A. SPECIAL TAX BENEFITS TO AVAIALBLE TO THE BANK

As per the GST laws income earned out of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount is exempted from payment of GST. Thus, interest income earned by Banks on deposits placed and loans and advances granted is exempted from payment of GST.

Further, in accordance to the provisions of the GST law, every registered person is required to reverse input tax credit attributable to the exempt income (arrived by determining the ratio of exempt income over total income). However, Banks are given an option to reverse 50% of their total eligible input tax credit. Such option is available to the Bank separately for each registration and in each year.
The Bank has exercised the option of reversal of 50% of their total eligible input tax credit for all its registration.

B. SPECIAL TAX BENEFITS TO SHAREHOLDERS OF THE BANK

As per the GST laws shares are neither considered as goods nor services and therefore sale of shares are not liable to payment of GST. Similarly, income derived from shares (e.g., dividend) is not liable to payment of GST under GST laws.

Notes:

1. The ability of the Bank or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Bank or its shareholders may or may not choose to fulfil.
2. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
3. The above Statement covers only possible special direct and indirect tax benefits and does not cover any benefit under any other law.
4. The above Statement of possible special tax benefits is as per the current direct and indirect tax laws relevant for the financial year 2023-24. Several of these benefits are dependent on the Bank and Shareholders fulfilling the conditions prescribed under the relevant tax laws.
5. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Bank.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of **Jana Small Finance Bank Limited**

Authorized Signatory
Date: January 18, 2024.
Place: Bengaluru

SECTION IV: ABOUT OUR BANK

INDUSTRY OVERVIEW

All information in this section is sourced from the Fitch Report, which was prepared by Fitch Solutions (referred to in this section as FSIAPL) in connection with the Offer and commissioned and paid for by us pursuant to an engagement letter dated June 19, 2023 and an addendum dated November 16, 2023. Except as noted otherwise, all forward looking statements, estimates and projections in this section are Fitch Solutions' forward-looking statements, estimates and projections. For risks in relation to the Fitch Report, see "Risk Factors - Risks Relating to the Equity Shares and the Offer – Statistical and industry data in this Prospectus are derived from the Fitch Report, which was commissioned and paid for by us for the purpose of the Offer. Reliance on information from the Fitch Report for making an investment decision in the Offer is subject to inherent risks." on page 108. Fitch Solutions derived the financial information of our Bank as included in the Fitch Report from our audited financial statements as at and for the half years ended September 30, 2023 and September 30, 2022, and as at and for the years ended March 31, 2023, 2022 and 2021 and not from the Restated Financial Statements. There are certain differences between the abovementioned audited financial statements and the Restated Financial Statements, and for details of the same, see "Financial Statements – Annexure 4 – Restated Statement of Adjustments to Audited Financial Statements" on page 397.

Overview of Global Economy

The global economy is yet at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the COVID-19 pandemic and Russia's invasion of Ukraine—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multi-decade highs last year in many economies, leading central banks to tighten interest rates aggressively to bring them back toward their targets and keep inflation expectations anchored. On the surface, the global economy appears poised for a gradual recovery from the powerful blows of the pandemic and of Russia's unprovoked war on Ukraine. China is rebounding strongly following the reopening of its economy. Supply-chain disruptions are unwinding, while the dislocations to energy and food markets caused by the war are receding. Simultaneously, the massive and synchronous tightening of monetary policy by most central banks should start to bear fruit, with inflation moving back toward its targets.

The global economy is now facing another geopolitical crisis in the Middle East after the attack of Hamas on Israel and subsequent declaration of war by the latter. The economic fallout from the war in Gaza seems to be limited thus far as the conflict has not spread more widely across the region. In turn, oil prices have fallen by 14% since late October 2023, and are trading at about 4-5% below where they were just before the attacks on October 7, 2023. This suggests that the risks of oil-induced inflationary pressures have abated, and market-based measures of inflation expectations have also eased. The fallout of the Israel-Hamas war on the global economy may take time to become clear but would become more severe if the conflict spreads to the rest of the Middle East, especially Iran, which is a major oil producer.

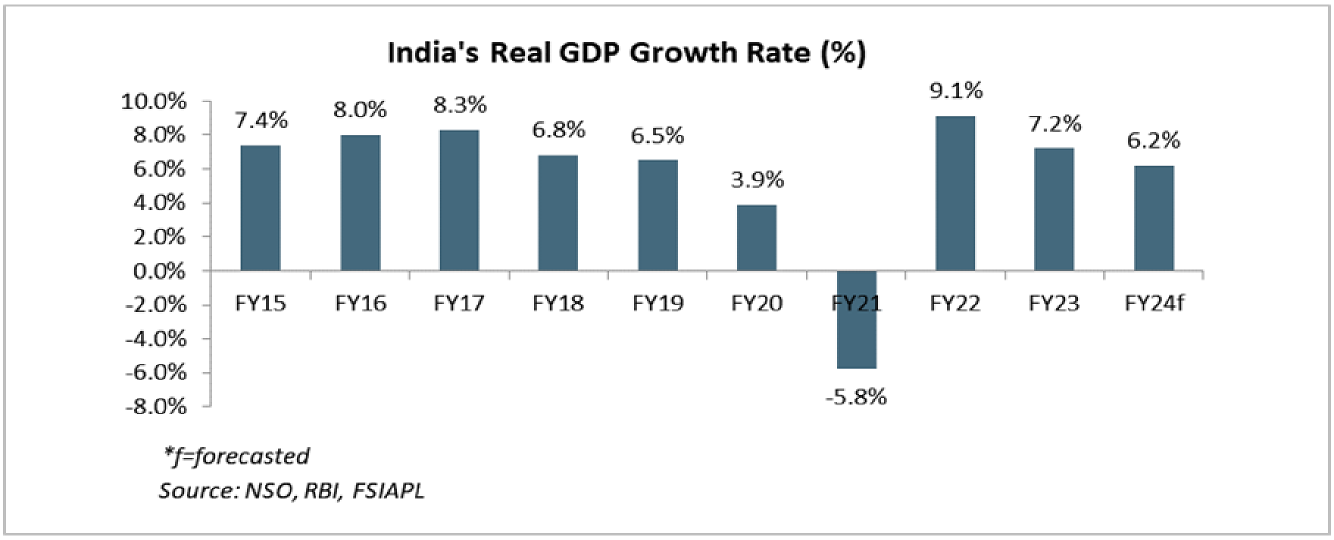
As per the International Monetary Fund's (IMF) October 2023 World Economic Outlook (WEO) update, global growth is projected to fall from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024 on an annual average basis. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to have bottomed out until the second half of 2023. Advanced economies continue to drive the decline in annual average growth from 2022 to 2023, with stronger services activity offset by weaker manufacturing, as well as idiosyncratic factors. On average, these economies are expected to have broadly stable growth in 2024 with a pickup in 2025. By contrast, emerging market and developing economies, on average, are projected to see stable growth over 2022–24, with a slight pickup in 2025, although with sizable shifts across regions.

As per IMF's WEO (October 2023), for advanced economies, the growth slowdown projected is significant from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024. About 90% of advanced economies are projected to see lower growth in 2023.

As per IMF's WEO (October 2023), for emerging market and developing economies, growth is projected to decline relatively modestly, from 4.1% in 2022 to 4.0% in both 2023 and 2024. On average, growth is expected to be 3.9% in 2023 and to rise to 4.2% in 2024. However, this average path hides regional divergences, with growth in two of the five main geographic regions rising in 2023 and then falling in 2024.

Overview of Indian Economy

India surpassed the UK to become the world's fifth-largest economy last year and is now behind only the US, China, Japan and Germany. (*Source: The Hindu article named 'India overtakes U.K. to become fifth largest economy in the world' dated September 03, 2022*) India's Gross Domestic Product (GDP) reached USD 3.75 trillion in 2023 from around USD 2.0 trillion in 2014. (*Source: Business Today article named 'India's GDP is now USD3.75 trillion, says FinMin' dated June 13, 2023*) Recently, a stronger-than-expected fourth quarter lifted India's GDP growth to 7.2% in Fiscal 2023, underscoring the country's economic resilience in the face of multiple challenges. (*Source: The Economic Times article named 'India stays fastest-growing* major economy as Q4 GDP numbers spring a surprise' dated June 01, 2023*)

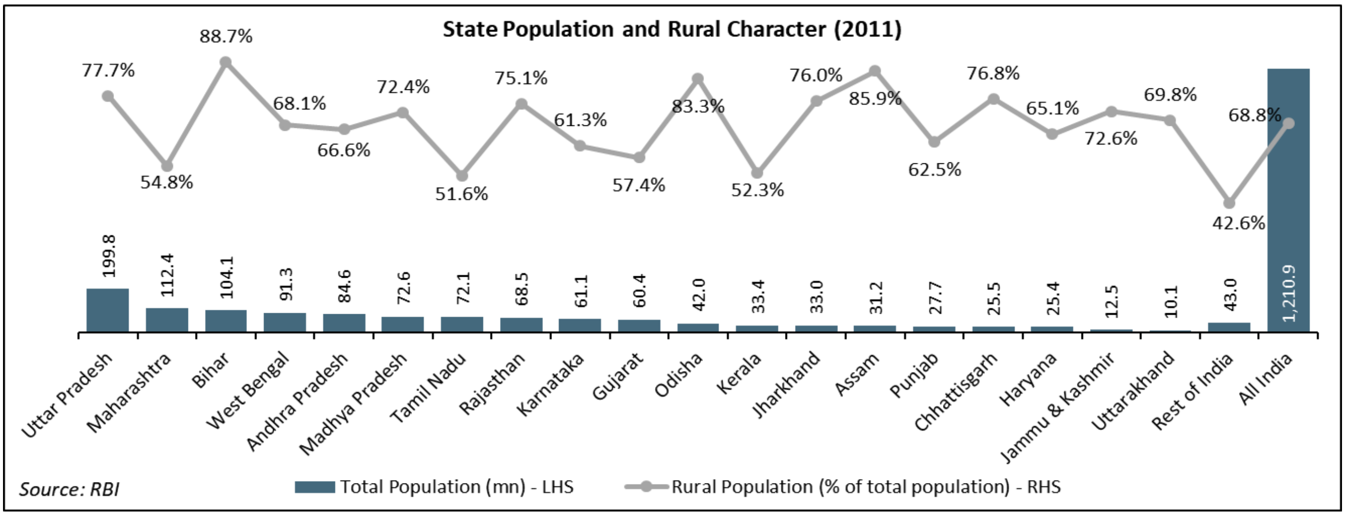


Data released by the National Statistical Office (NSO) on August 31, 2023 indicated that India's GDP grew by 7.8% in Q1FY24 (April 2023 to June 2023 quarter) on an annual basis. The growth can be attributed to central and state governments opening up their wallets for capex, stronger consumption demand and higher activities in the services sector. The nominal GDP or GDP at current prices in the quarter registered a growth of 8.0% as compared to 27.7% in the first quarter of Fiscal 2023.

India Ratings (Ind-Ra) expects GDP to grow 6.2% y-o-y in Fiscal 2024. Exports which had been buoyant are facing headwinds from the global growth slowdown and credit growth is facing tighter financial conditions. In fact, due to the evolving geopolitical conditions and the entrenched inflation, the financial conditions are expected to remain tighter and policy rates elevated, leading to elevated borrowing costs for long time.

Financial Inclusion

The nationalization of banks in India in 1969 was the initial baby step in the process of financial inclusion through opening of branches in rural areas. The Lead Bank Scheme followed nationalization to coordinate banks and credit institutions by districts to more comprehensively ensure that rural areas had their credit needs met. In 1975, the Government of India followed this with efforts to specifically reach rural areas by establishing Regional Rural Banks (RRBs) meant to exclusively meet demand in the rural economy and the number of RRBs has significantly increased over the years. While the state of financial inclusion has improved considerably over time, there is still a long way to go and there exist many bottlenecks and challenges which need attention.



Note: The 2021 Census of India has been postponed to 2024-25 due to the COVID-19 pandemic.

As seen, the rural population as a percentage of total population exceeded 70.0% in the states of Bihar, Assam, Odisha, Uttar Pradesh, Jharkhand, Rajasthan, and Madhya Pradesh during 2011 and accentuated their backward characteristics. Rural populations in the states of Gujarat, Maharashtra, Kerala, and Tamil Nadu ranged between 50.0% – 60.0% of the total population and displayed relative progress for these states. The rest of India primarily comprised rural-dominated states like the North East and Andaman & Nicobar Islands, but the presence of urban Union Territories like New Delhi and Chandigarh – which are heavily populated – has skewed the distribution.

Banking penetration

The adverse impact of the COVID-19 pandemic at the regional level is reflected in the state–wise performance of banking outlets. As per the RBI, interstate inequality in banking outreach, in terms of number of credit and deposit accounts, had been narrowing down since 2005. However, credit penetration, as measured by credit to gross state domestic product (GSDP) ratio, in regions containing many hills and mountains and less industrialised and urbanised states needs to catch up to take India's financial penetration closer to that of its emerging market peers.

Credit Deposit (C-D) ratio is the ratio of how much a bank lends out of the deposits it has mobilised. As per the RBI, regional variations in C-D ratio are difficult to interpret as credit provided from a region is often not used in the region. Yet, heterogeneity in this ratio can, to some extent, reflect activity levels, per capita incomes, level of banking infrastructure and effectiveness of financial intermediation by the banking system. Prior to the pandemic, urbanised and industrial states like Maharashtra, Andhra Pradesh, Telangana, Tamil Nadu and Delhi, which account for higher share in credit demand, had higher C-D ratios compared to the rest of India. With COVID-19 cases being largely concentrated in the urban centres, prolonged lockdown and containment measures led to a decline of C-D ratios in urbanised states vis-à-vis the rural and hilly states, leading to an overall convergence in C-D ratio across states, albeit at a lower level than in the pre-COVID-19 period.

Credit outstanding and GDP growth (Fiscal 2023)

States	Urban credit	Rural credit	Rural population in the state	Rural Share in total credit	State GDP* (Rs. billion)	State GDP CAGR Growth	State's deposit share	State's credit share	State's GDP Share	Credit Deposit ratio of SCB
	(Rs. Billion)		(as per 2011 Census)							(Place of sanction)
Andhra Pradesh	1,742.4	851.2	66.6%	0.62%	12,017.4	11.2%	2.3%	4.2%	5.1%	138.9%
Assam	499.7	215.0	85.9%	0.16%	3,401.8	6.3%	1.1%	0.7%	1.4%	48.9%
Bihar	487.4	421.3	88.7%	0.31%	6,754.5	9.6%	2.6%	1.4%	2.9%	42.5%
Chhattisgarh	392.9	122.6	76.8%	0.09%	3,502.7	7.5%	1.2%	1.1%	1.5%	66.4%
Gujarat	1,227.7	594.9	57.4%	0.43%	16,367.8	7.2%	5.5%	5.3%	6.9%	69.9%
Haryana	2,693.3	351.8	65.1%	0.26%	8,956.7	8.8%	3.6%	2.9%	3.8%	54.9%
Jharkhand	275.6	171.2	76.0%	0.12%	3,431.8	6.2%	1.7%	0.7%	1.5%	30.9%
Karnataka	1,501.9	758.0	61.3%	0.55%	20,493.8	11.3%	8.1%	6.7%	8.7%	60.5%
Kerala	2,165.3	101.4	52.3%	0.07%	9,020.0	6.5%	3.9%	3.3%	3.8%	61.7%
Madhya Pradesh	694.4	415.8	72.4%	0.30%	11,690.0	12.6%	3.0%	2.7%	4.9%	67.5%
Maharashtra	1,623.1	697.5	54.8%	0.51%	27,116.9	4.8%	20.5%	28.1%	11.5%	91.9%
Odisha	1,114.6	365.4	83.3%	0.27%	6,420.9	9.9%	2.5%	1.4%	2.7%	40.8%
Punjab	762.8	513.7	62.5%	0.37%	5,840.4	5.5%	3.0%	2.1%	2.5%	54.2%
Rajasthan	1,123.1	605.0	75.1%	0.44%	11,961.4	9.5%	3.1%	3.3%	5.1%	79.0%
Tamil Nadu	1,778.2	1,382.1	51.6%	1.01%	20,654.4	9.0%	6.6%	9.2%	8.7%	100.9%
Telangana	598.9	452.7	61.1%	0.33%	11,481.1	11.2%	3.8%	5.0%	4.9%	96.8%
Uttar Pradesh	2,053.7	1,028.5	77.7%	0.75%	18,632.2	6.7%	8.2%	4.7%	7.9%	43.9%
Uttarakhand	406.2	145.4	69.8%	0.11%	2,538.3	3.6%	1.1%	0.5%	1.1%	35.7%
West Bengal	948.7	653.0	68.1%	0.48%	13,010.2	10.1%	5.8%	3.5%	5.5%	46.4%
All India	**23,458.4**	**10,652.3**	**68.8%**	**7.76%**	**236,646.4**	**8.5%**	**100.0%**	**100.0%**	**100.0%**	**72.1%**

Source: National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India, Basic Statistical Returns of Scheduled Commercial Banks in India, RBI

Note:

1. *GDP is nominal and it is calculated on the current prices with base year 2011-12*
2. *Urban and Rural credit data is as on Fiscal 2023*

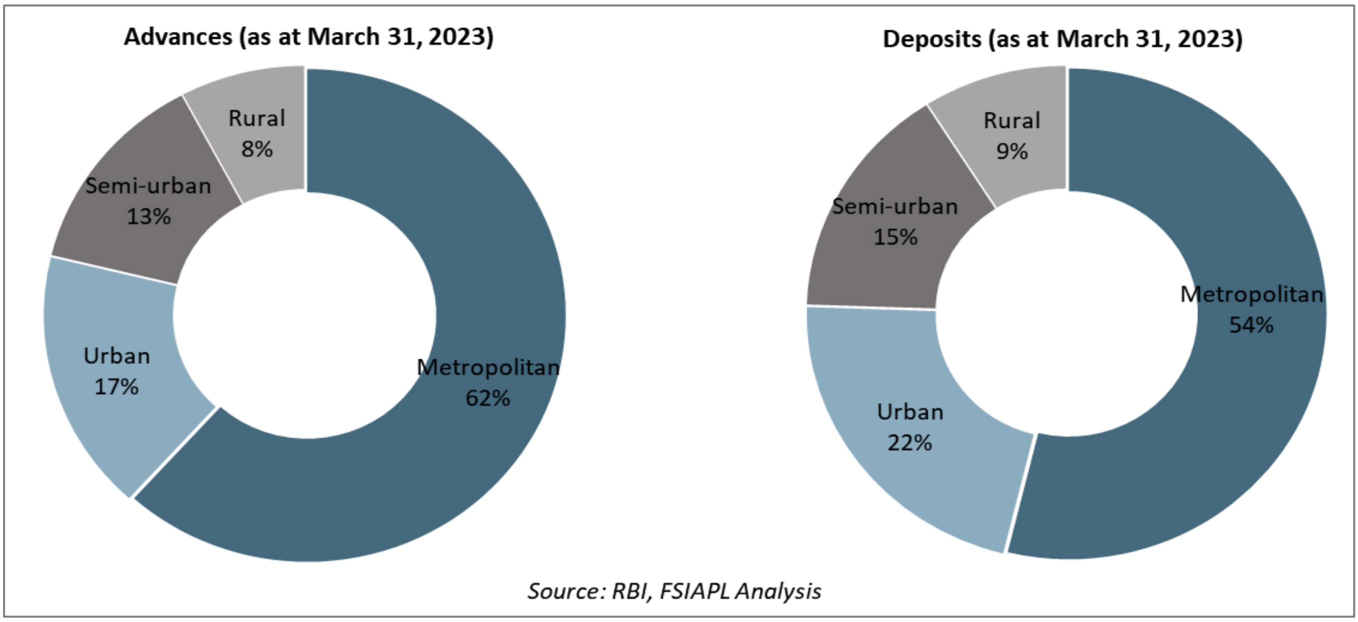
**State GDP and State GDP CAGR is based on latest data available*

The top six states of India including Maharashtra (11.5%), Tamil Nadu (8.7%), Karnataka (8.7%), Uttar Pradesh (7.9%), Gujarat (6.9%) and West Bengal (5.5%) accounted for 49.1% of the total GDP of India for Fiscal 2022. The credit share of these top six states including Maharashtra (28.1%), Tamil Nadu (9.2%), Karnataka (6.7%), Gujarat (5.3%), Telangana (5.0%) and Uttar Pradesh (4.7%) collectively accounted for 58.9% of the total credit of India as at March 31, 2023. As per the 2011 census of India, the rural population accounted for 68.8% of the total population. The rural share in total credit was only around 7.76% as at March 31, 2023. Also, there is less competition for banking services in rural areas as compared to urban areas which opens up a huge market opportunity for SFBs to extend financial inclusion in rural areas. SFBs' chief aim is to drive last-mile banking connectivity and bring the unserved and underserved inside the umbrella of formal banking.

The credit–deposit (C–D) ratio of Andhra Pradesh (138.9%), Tamil Nadu (100.9%), Telangana (96.8%) and Maharashtra (91.9%) are high, displaying healthy credit penetration in those states, while Assam (48.9%), West Bengal (46.4%), Uttar

Pradesh (43.9%), Bihar (42.5%), Odisha (40.8%), Uttarakhand (35.7%) and Jharkhand (30.9%) have a low C–D ratio, implying increased credit disbursal opportunities for SFBs in those states.

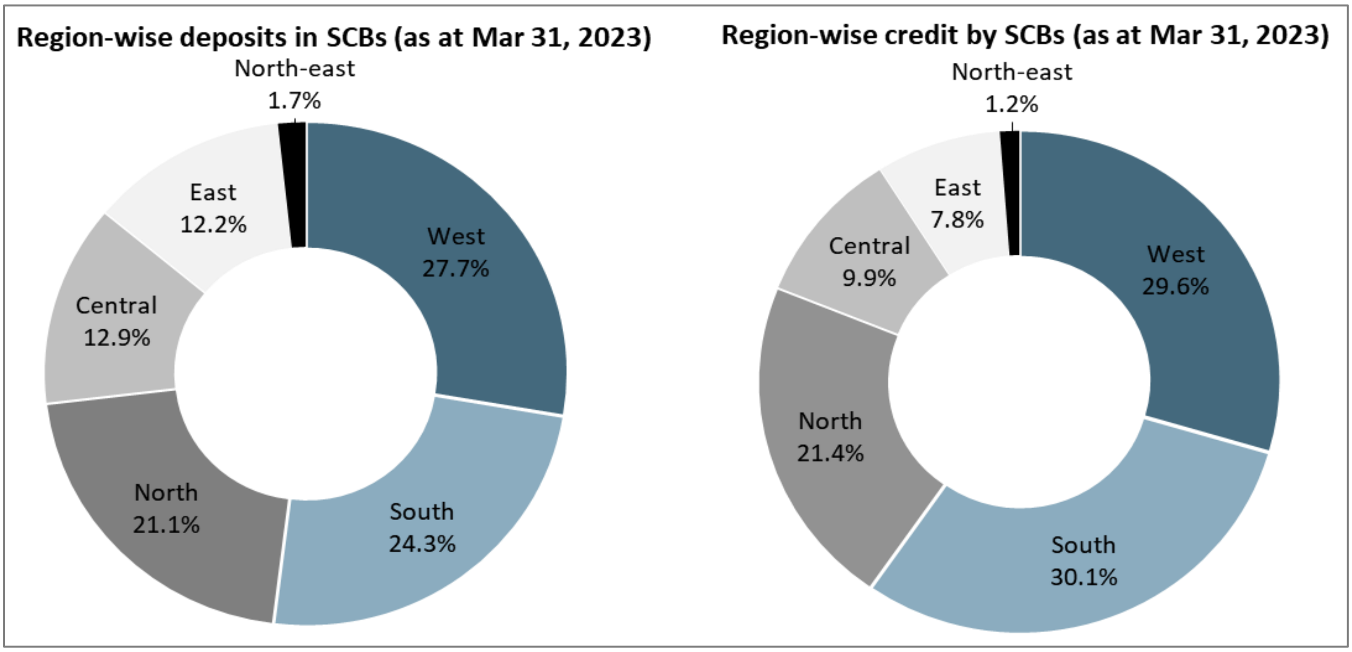
Credits and deposits across regions at March 31, 2023



Note: 'Rural' group includes all centres with a population of less than 10,000, 'Semi-urban' group includes centres with a population of 10,000 and above but less than 0.1 million, 'Urban' group includes centres with a population of 0.1 million and above but less than 1 million and 'Metropolitan' group includes centres with a population of 1 million and above.

Metropolitan cities accounted for 54.0% of total deposits and 62.0% of total advances in India as at March 31, 2023. The top five states in India including Maharashtra, NCT of Delhi, Tamil Nadu, Karnataka and Gujarat have the most concentration of advances. The rest of the country accounted for 40.0% of total advances as at March 31, 2023.

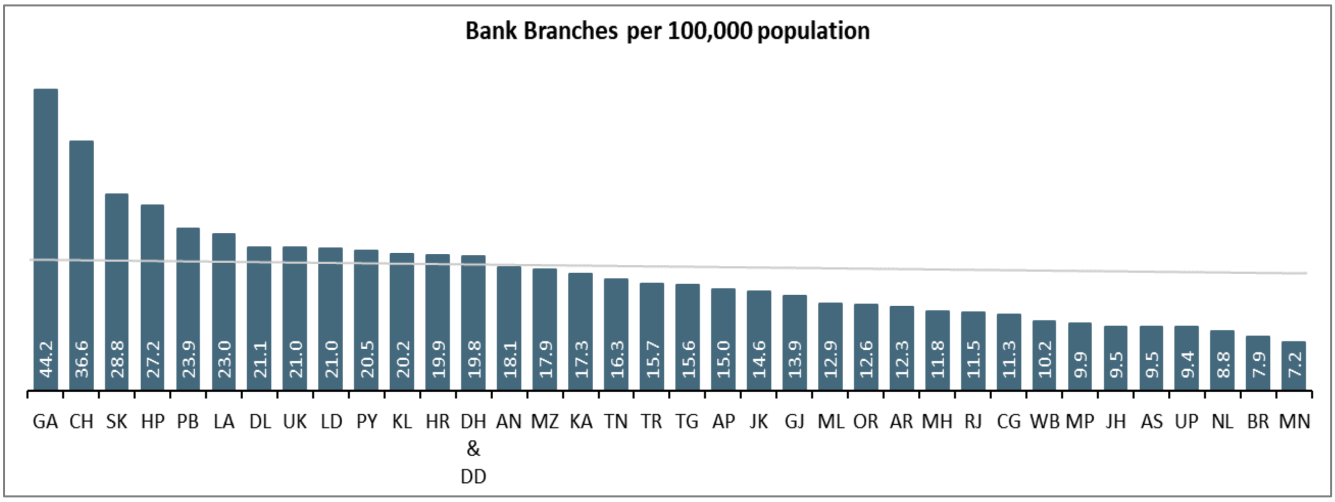
Region–wise share of credit & deposit penetration



Source: RBI, FSIAPL Analysis
Note: Deposits shown under this table exclude inter-bank deposits.

West India accounts for 29.6% of total credit in India mainly because Maharashtra's share in the total credit share is 23.5%. High credit shares in NCT of Delhi, Rajasthan, Haryana and Punjab lead to North India's share being 21.4%. On the other side, Tamil Nadu, Karnataka, Telangana, Andhra Pradesh and Kerala's banking penetration is healthy as compared to the northern and eastern regions, leading to a banking penetration of 30.1% in south India. The north-eastern and eastern regions lack credit penetration as their deposit share is 14.0% of total deposits while their credit share is only 9.0% of total credit.

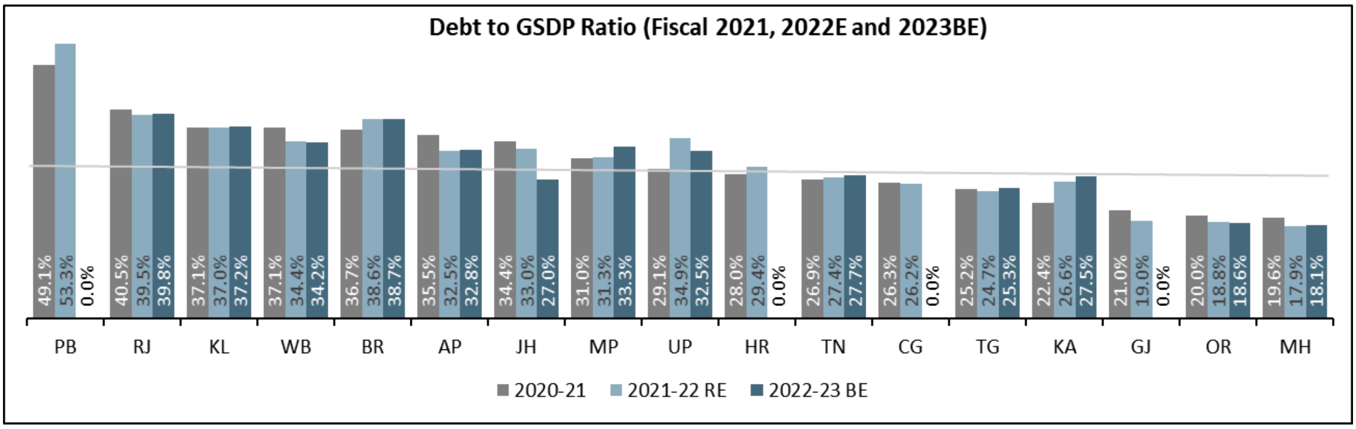
Branch network and infrastructure in regions with lower credit and deposit share (As at March 31, 2022)



Source: RBI and BIRD (Bankers Institute of Rural development), Lucknow

Note: GA: Goa, CH: Chandigarh, SK: Sikkim, HP: Himachal Pradesh, PB: Punjab, LA: Ladakh, DL: NCT of Delhi, UK: Uttarakhand, LD: Lakshadweep, PY: Puducherry, KL: Kerala, HR: Haryana, DH&DD: Dadra and Nagar Haveli and Daman and Diu, AN: Andaman & Nicobar Islands, MZ: Mizoram, KA: Karnataka, TN: Tamil Nadu, TR: Tripura, TG: Telangana, AP: Andhra Pradesh, JK: Jammu & Kashmir, GJ: Gujarat, ML: Meghalaya, OR: Odisha, AR: Arunachal Pradesh, MH: Maharashtra, RJ: Rajasthan, CG: Chhattisgarh, WB: West Bengal, MP: Madhya Pradesh, JH: Jharkhand, AS: Assam, UP: Uttar Pradesh, NL: Nagaland, BR: Bihar, MN: Manipur

The northern region had a high branch network as compared to India's average. In the western region, the number of bank branches per 100,000 individuals is low because these states are densely populated.



Source: Budget documents of state governments; Reserve Bank of India; and PRS Legislative Research

Note:

1. PB: Punjab, RJ: Rajasthan, KL: Kerala, WB: West Bengal, BR: Bihar, AP: Andhra Pradesh, JH: Jharkhand, MP: Madhya Pradesh, UP: Uttar Pradesh, HR: Haryana, TN: Tamil Nadu, CG: Chhattisgarh, TG: Telangana, KA: Karnataka, GJ: Gujarat, OR: Odisha, MH: Maharashtra
2. Data for Punjab is based on the Report titled 'State Finances: A Study of Budgets 2021-22' as its budget for 2022-23 has not been presented yet. Though, Odisha's budget for 2022-23 is Vote-on-Account, it has released its FRBM documents for 2022-23. As indicated by the state government, debt stock of 16.98 per cent of GSDP may increase by 3 per cent of GSDP if public account liabilities are incorporated.
3. For other states, data for debt, GFD, RD and PD are reported by the respective state governments in their budget documents and may not match with data to be compiled by the Reserve Bank as the methodology for compilation of these indicators differ.

Based on the debt-GSDP ratio in 2022-23, Rajasthan, Bihar, Kerala, West Bengal, Madhya Pradesh, Andhra Pradesh and Uttar Pradesh were the states with the highest debt burden.

Further steps taken by Government of India to support financial inclusion

Three ambitious Jan Suraksha Schemes or Social Security Schemes pertaining to Insurance and Pension Sector were announced by the Government in the Budget for Fiscal 2016. The schemes were launched on May 9, 2015 for providing life and accident risk insurance and social security at a very affordable cost, namely Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Yojana and Atal Pension Yojana.

Pradhan Mantri Suraksha Bima Yojana (PMSBY)

PMSBY is available to people in the age group of 18 to 70 years with a bank/ post office account who give their consent to join/ enable auto-debit on or before May 31 for the coverage period of June 1 to May 31 on an annual renewal basis. The risk coverage under PMSBY is Rs. 200,000 for accidental death and full disability and Rs. 100,000 for partial disability.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

PMJJBY is available to people in the age group of 18 to 50 years having a bank/ post office account who give their consent to join/enable auto-debit. Life cover of Rs. 200,000 is available for a one-year period stretching from June 1 to May 31 and is renewable. Risk coverage under this scheme is Rs. 200,000 in case of the death of the insured, due to any reason.

Atal Pension Yojana (APY)

Atal Pension Yojana was implemented with effect from June 1, 2015. APY aims to provide monthly pensions to eligible subscribers not covered under any organized pension scheme. APY is open to all bank and post office account holders in the age group of 18 to 40 years.

Stand Up India Scheme

The Government of India launched the Stand-Up India Scheme on April 5, 2016. The Stand-Up India Scheme caters to promoting entrepreneurship amongst women and the scheduled castes & scheduled tribes. The Stand-Up India Scheme facilitates bank loans between Rs. 1.0 million and Rs. 10.0 million to at least one scheduled caste/ scheduled tribe borrower and at least one-woman borrower per bank branch of scheduled commercial banks for setting up greenfield enterprises in the trading, manufacturing and services sector.

Pradhan Mantri Mudra Yojana (PMMY)

In pursuance of the announcement in the Union Budget 2015-16, the Micro Units Development Refinance Agency (MUDRA) was set-up and the Pradhan Mantri Mudra Yojana (PMMY) was launched on April 8, 2015. To achieve sustained expansion in the flow of credit to the non-corporate small business sector, loans of up to Rs. 1.0 million without collateral are extended to borrowers under PMMY.

The microfinance industry plays an important role in promoting financial inclusion. The microfinance industry provides credit to entrepreneurs and small businesses lacking access to banking and related services. Launched in 2015, Digital India has been regarded as a significant intervention to bring the unbanked population, who had been kept out of the mainstream economy, into the formal financial net. There is no doubt that India has significantly improved the financial inclusion of the marginalised sections. The efficacy of Digital India vis-à-vis financial inclusion can be measured by the growth in digital transactions and the proportion of the poor and their ability to access banking facilities. According to the World Bank's Global Financial Inclusion Database or Global Findex report (2017), 80.0% of Indian adults have a bank account—27 points higher than the 53.0% estimated in the Findex 2014 round.

Payment banks

Payments Banks (PBs) were set up on the basis of the recommendations of the Committee on Comprehensive Financial Services for Small Businesses and Low-Income Households with the objective of improving financial inclusion by harnessing technology services via mobile phones. PBs cannot undertake lending activities and their design is functionally equivalent to that of pre-paid instrument (PPI) providers which are permitted to receive cash payments from customers, store them in a digital wallet, and allow customers to pay for goods and services from this wallet.

Priority sector lending

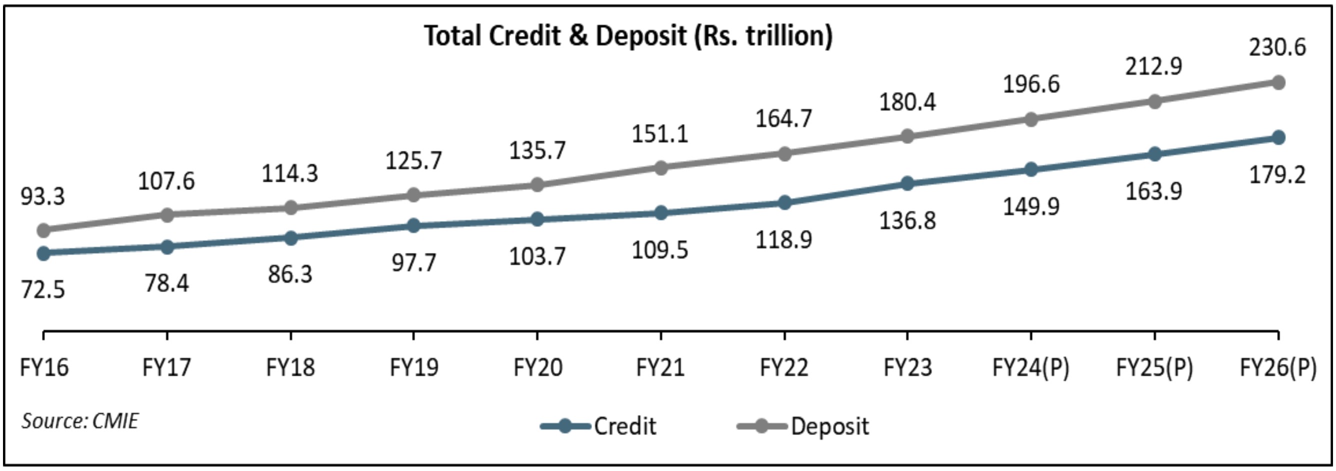
Priority sector lending is an important role given by the RBI to banks for providing a specified portion of bank lending to a few specific sectors like agriculture and allied activities, micro and small enterprises, housing for poor people, education for students and other low-income groups and weaker sections.

Overview of the Indian Banking Industry

The banking industry is regulated by the Reserve Bank of India (RBI), which is the central bank of India established on April 1, 1935 under the Reserve Bank of India Act, 1934. As at March 31, 2023, the Indian banking system consisted of 12 public sector banks and 21 private sector banks, in addition to cooperative credit institutions (*Source: RBI Annual Report 2022-23*). The number of registered insured banks as at March 31, 2023 stood at 2,027, comprising 140 commercial banks including 43 regional rural banks (RRBs), 2 local area banks (LABs), 6 payment banks (PBs) and 12 small finance banks (SFBs) and 1,887 co-operative banks – the latter consisting of 33 state cooperative banks, 352 district central cooperative banks and 1,502 urban cooperative banks (UCBs).

Systemic credit and deposit growth

Total credit of Scheduled Commercial Banks (SCBs) has grown at a CAGR of 9.5% from Rs. 72.5 trillion as at March 31, 2016 to Rs. 136.8 trillion as at March 31, 2023. As per the Centre for Monitoring Indian Economy (CMIE), total credit is expected to increase to Rs. 179.2 trillion as at March 31, 2026(P). Total deposits of SCBs have increased at a CAGR of 9.9% from Rs. 93.3 trillion as at March 31, 2016 to Rs. 180.4 trillion as at March 31, 2023. As per CMIE, total deposit is expected to increase to Rs. 230.6 trillion as at March 31, 2026(P). The growth in credit and deposit would be in line with the GDP growth of the country. Private sector banks have contributed more than public sector banks in credit growth and deposit growth in percentage terms in the last 3 fiscal years (Fiscals 2021 to 2023). Foreign banks have shown healthy growth in deposits over the last 3 fiscal years and small finance banks have shown high double-digit growth in credit and deposits due to the small base effect.



Developments related to the licencing of universal banks in the private sector

The RBI announced guidelines for 'on tap' Licensing of Universal Banks in the Private Sector on August 1, 2016. Some of the key aspects of the guidelines include:

- Resident individuals and professionals having 10 years of experience in banking and finance at a senior level are eligible to promote universal banks.
- Large industrial houses are excluded as eligible entities but are permitted to invest in the banks up to 10.0%.
- Non-Operative Financial Holding Company (NOFHC) has been made non-mandatory in case of promoters being individuals or standalone promoting/converting entities who/ which do not have other group entities.
- Not less than 51.0% of the total paid-up equity capital of NOFHCs shall be owned by the promoter/ promoter group, instead of being wholly owned by the promoter group.
- Existing specialised activities have been permitted to be continued from a separate entity proposed to be held under the NOFHC subject to prior approval from the RBI and subject to it being ensured that similar activities are not conducted through the bank as well.

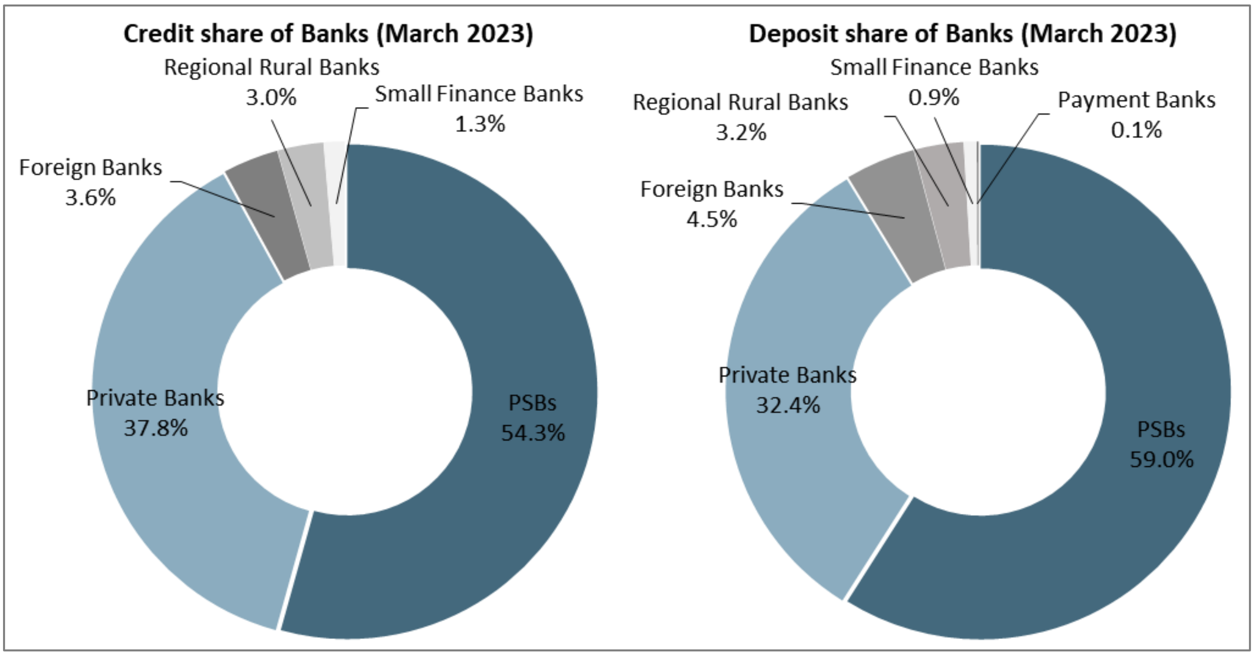
Consolidation of public sector banks

The banking sector witnessed a major turning point in Fiscal 2020, with the Government announcement of the mega merger of 10 PSBs into four PSBs. Consequently, Oriental Bank of Commerce (OBC) and United Bank of India (UBI) merged into Punjab National Bank (PNB), Syndicate Bank merged with Canara Bank, Andhra Bank and Corporation Bank merged with Union Bank of India and Allahabad Bank merged into Indian Bank. The Government expects that these banks will see significant synergy benefits from the amalgamation in the form of better products and services, skills, policies, technology, augmented network and better capital position.

'On-tap small finance banks' licensing in the private sector

There are significant untapped opportunities in the informal/ semi-formal sectors, and efficiency of SFBs' delivery model can be used for the underserved segment. The RBI announced 'on tap' licensing in September 2019. In December 2019, the RBI issued guidelines for on-tap licensing of SFBs to further financial inclusion and widen competition. More players will now be able to apply for an SFB license, subject to the fulfilment of regulatory conditions. Under the new on-tap licensing guidelines, the RBI doubled the minimum capital requirement to Rs. 2.0 billion from Rs. 1.0 billion earlier, with certain exceptions, such as in the case of SFBs which are transited from primary (urban) co-operative banks, or converted from NBFCs/ MFIs, the requirement is separately set out. Under the earlier guidelines, shareholding by promoters in the bank had to be brought down to 40.0% within five years, subsequently to 30.0% within ten years and to 26.0% within 12 years. However, under the new guidelines, shareholding by promoters in the bank has to be brought down to 40.0% within five years, 30.0% within ten years and to 15.0% within 15 years.

Share of various bank groups in credit disbursement



Source: RBI, FSIAPL Analysis
Note: Deposits shown under this table exclude inter-bank deposits.

Public sector banks (PSBs) have the highest share in outstanding credit and stands at 54.3% as of March 2023 while private sector banks stand at 37.8%, foreign banks at 3.6%, regional rural banks at 3.0% and small finance banks at 1.3%. The share of public sector banks in outstanding credit has reduced from 66.67% in June 2017 and the share of private sector banks in outstanding credit has increased from 28.69%, indicating preference of borrowers towards private sector banks due to better quality of services in terms of banking technology, customer service and product suite. PSBs have the highest share in deposits and stand at 59.0% as of March 2023.

Profitability of banks

The overall banking sector for FY24 and the banking system's health continues to be at its best in decades. The key financial metrics are likely to continue to improve in FY24, backed by strengthened balance sheets, encouraging credit demand and flattening expectations of market interest rates leading to, among other things, normalisation of profitability from treasury operations. Credit demand growth of 13.5% y–o–y for FY24 is expected to come in from retail, services segment, infrastructure and government/ public sector units' capex.

The banking system's net interest margins (NIMs) may see a modest decline in FY24 from the current levels, given the expected increase in deposit rates (prospective as well as full impact of rate increases in the past 10 months); a part of this may be offset by normal treasury operations as the yield curve flattens. As per Ind-Ra's expectation, operating costs to sustain and credit costs to remain in the 1-1.5% range. Overall, the return on assets (RoAs) could be maintained at the current levels for the system as well as PSBs and private Banks. *(Source: FY24 Outlook: Banks, published by India Ratings and Research (Ind–Ra))*

Small Finance Bank

The Indian banking system has earlier not been able to serve the unbanked population as it does not fit the traditional business model of commercial banks. RBI therefore approved the setting up of Small Finance Banks (SFBs) in 2015 so as to offer basic banking services such as accepting deposits and lending to the unserved and the under-served sections, including small businesses, marginal farmers, micro and small industries, and the unorganised sector.

SFBs are authorised to perform all the banking functions – payments, accepting deposits and lending. This makes them functionally identical to scheduled commercial banks. However, given the SFBs' financial inclusion focus, SFBs have higher minimum targets for priority sector lending – at 75.0% of its Adjusted Net Bank Credit compared to the 40.0% for the scheduled commercial banks. Further, at least 25.0% of new banking branches need to be opened in unbanked rural centres. Also, to benefit small borrowers, SFBs have a restriction on their loan portfolio that requires 50.0% of the portfolio to be comprised of loans and advances of up to Rs. 2.5 million. The minimum capital adequacy ratio for SFBs is set at 15.0%, higher than the 9.0%

required for scheduled commercial banks. When the RBI came out with its eligibility criteria for SFBs, there were 10 applicants who had received the in-principle approval and all of them have converted to SFBs and are operational. The 10 SFBs were AU Small Finance Bank (AU SFB), Capital Small Finance Bank (Capital SFB), Equitas Small Finance Bank (Equitas SFB), ESAF Small Finance Bank (ESAF SFB), Fincare Small Finance Bank (Fincare SFB), Jana Small Finance Bank (Jana SFB), North East Small Finance Bank (NESFB), Suryoday Small Finance Bank (Suryoday SFB), Ujjivan Small Finance Bank (Ujjivan SFB) and Utkarsh Small Finance Bank (Utkarsh SFB). Out of the 10 SFBs, there are eight former microfinance players (including NBFC-MFIs), one former local area bank and one former NBFC. As at September 30, 2023, 12 SFBs were operational in India. Recently, in September 2023, Fincare Small Finance Bank Limited announced its planned merger with AU Small Finance Bank Limited (AU SFB) in an all-share deal, which is subject to various approvals. Following the trend of fintechs pursuing banking ambitions, in October 2023, credit card and payments unicorn 'Slice' announced that it is merging with North East Small Finance Bank Limited (NESFB), which is subject to various approvals.

All SFBs, like commercial banks, deal with basic lending and deposit activities like loans and deposits. However, what makes these products stand out is that SFBs are required to focus their products more towards the priority sector, which includes facilitating funds to poor people for housing, lending for agriculture and allied activities, funding to micro and small industries, and weaker sections of the society. Further, SFBs can deal in other fee-based products like distribution of mutual funds, pension products, insurance products, foreign exchange, and debit cards. However, while SFBs can provide better last-mile connectivity to their customers vis-à-vis banks, the SFBs do face competition from NBFCs. NBFCs further do not have to maintain CRR and do not have priority sector lending targets. However, unlike NBFCs who are only able to provide only niche products, SFBs can provide the entire gamut of banking products and can therefore target a better share of the customer's wallet.

Key advantages & challenges for a NBFC upon conversion to SFB

Advantages

- SFBs target the low-income segment and offer them differentiated products. Unlike the NBFCs which expand horizontally with a special focus product, SFBs expand vertically and horizontally which enables them to have a good mix of medium and low value customers. Further, with major focus on rural and microfinance borrowers, which have a low credit penetration and less migration from one player to another, small finance banks can build loyal customer relationships. Along with this, there is less competition for banking services in rural as compared to urban areas, which presents SFBs with significant growth opportunities in rural areas
- Akin to commercial banks, SFBs can undertake all banking activities, including lending and taking deposits. Access to deposits, resulting in lower cost of funds, allows small finance banks to compete with other players in the underpenetrated regions
- Low cost of client acquisition over the long term due to wider reach, customer-centric approach and technology usage

Disadvantages

- The COVID-19 crisis has reiterated the underlying risks of the business models of most SFBs –'high touch' operations, personalised doorstep services, including centre meetings, driven predominantly by cash collection processes for the microfinance segment of customers.
- Extending 75.0% of Adjusted Net Bank Credit (ANBC) to sectors eligible for classification as priority sector lending (PSL). NBFCs do not have any such targets.
- Maintaining at least 25.0% of their banking outlets in unbanked rural areas.
- At least 50.0% of loan portfolio must comprise loans and advances of up to Rs. 2.5 million while no such regulation is imposed on NBFCs.
- Maintain minimum Capital Adequacy Ratio (CAR) of 15.0% of its risk-weighted assets (RWA).
- While SFBs have to maintain minimum 3.5% of CRR and 18% of SLR, NBFCs do not have to maintain any CRR and SLR.
- Building a liability profile and venturing into new products will be a challenge.

Growth drivers for SFBs

- **Availability of sizeable market opportunity and credit at affordable rates**

Given the sheer size of India's population and considering the large section of it that still lacks access to formal banking services, financial inclusion has been a key priority for the government. The banking system and priority sector lending have been the most explored channels to bring this majority under the ambit of formal credit institutions.

- **Customized products aided by technology and information availability**

Greater use of technology is enabling lenders to provide customised products with a quicker turnaround time. Multiple data points are available for lenders that facilitate quick decision making. These models would help supply credit to small business units and the unorganised sector at a low cost. Technology also helps these players expand their reach to the under-penetrated population in remote areas at a lower operating cost.

- **Availability of funds at cheaper rates**

CASA and other retail deposits are a cheap source of funds for SFBs, which help them expand their product portfolio.

- **Large target audience**

SFBs' target audience is the low-income segment, who can be wooed with a sachet level product suite. Unlike NBFCs, which expand horizontally with a special focus product, SFBs have a chance to expand vertically and horizontally.

Digital initiatives by SFBs

The nation-wide lockdown in the wake of the COVID-19 situation has triggered an increased propensity to use digital products like Digital Loan Repayments, UPI QR code transactions and a number of mobile banking and UPI registrations among SFBs customers. As per FSIAPL, SFBs view this as a good time to expand digital initiatives and increase adoption of the digital channels. They are making continued efforts on contactless and digital banking services. Paperless digital consumer finance loans are processed digitally either by sales personnel at the point of sale through tab-based applications or by customers themselves, thereby reducing operational processes and costs and increasing the operational efficiency of SFBs.

Distribution outlets for SFBs

SFBs are expanding distribution and opening new banking outlets to widen geographic footprint in newer regions. A wide network of banking outlets, including outlets in unbanked rural centres (URC) where these SFBs are the sole provider of banking services, offer a significant opportunity to expand their customer outreach and deepen their penetration in existing geographies.

SFBs are converting their MFI branches to banking outlets. SFBs aim at increasing penetration in Tier I and Tier II markets where branches are already present. Region specific product offerings for the impact of COVID-19 are being designed to rapidly penetrate into these markets. SFBs are initiating deposit and withdrawal facilities in the centre meetings, which were earlier largely used for repayment collections.

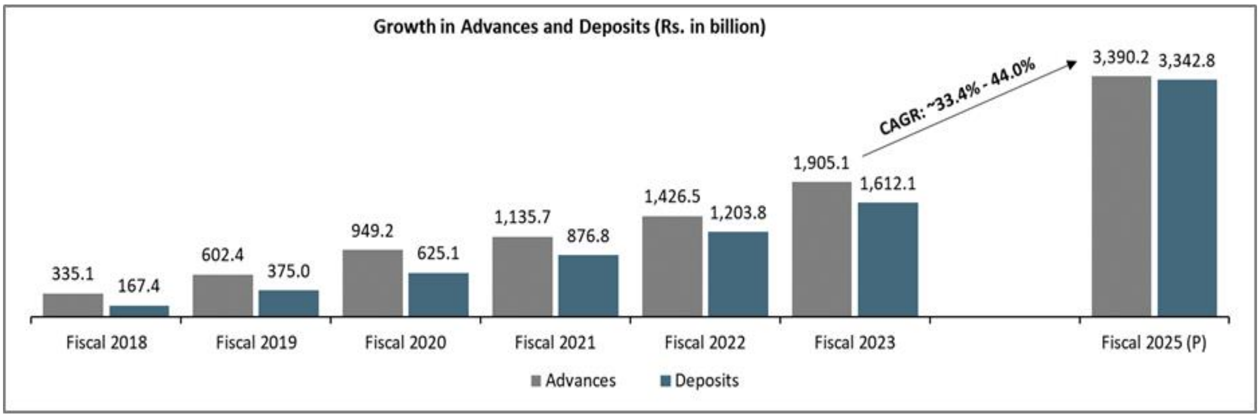
SFBs have employed business correspondents to collect repayments. Along with repayments, through regular meetings with microfinance customers, the business correspondents are able to understand them better. The business correspondents' constant engagement with microfinance customers leads to a lower risk of delinquencies. In order to expand their outreach to MSME borrowers, SFBs are strengthening their direct sales agent (DSA) network. The DSA network will enable the MSME vertical to reach out to the places and to the new set of borrowers without adding much to the fixed cost.

Comparison of different business models including MFI, SFB and commercial bank

The business model of most SFBs is highly dependent on high touch operations and personalised doorstep services, including centre meetings, driven predominantly by cash collection processes from the customers. SFBs primarily focus on the micro and small enterprises that belong to the underbanked and unbanked segment of the society. Similarly, MFIs also cater to low and middle-income individuals, daily wage earners and self-employed individuals engaged in small and medium enterprises with high touch operations, business correspondents and centre meetings. Unlike SFBs, MFIs cannot accept deposits which increases the cost of funds for the institutions. Additionally, SFBs offer a full bouquet of financial products and services due to resources consisting mainly of deposits at low cost. On the other hand, the majority of MFIs are over-dependent on a mono-product strategy.

Commercial banks' primary focus areas are upper, middle and high classes. Over time, the lower, middle and the upper middle classes have also become the most significant portions of the commercial banks' target market. SCBs have better brand recognition, greater business experience, more diversified operations, and greater customer and depositor base, besides having better access to lower costs of funding and consequently lower lending rates. With growing digitalisation, the pace of opening new branches by scheduled commercial banks in rural regions has slowed down.

SFB growth and the outlook



Source: RBI, FSIAPL Analysis
Note:
1. 'P' means projected.
2. Numbers are as at March 31, 2018, 2019, 2020, 2021, 2022 and 2023
3. Deposits shown under this table exclude inter-bank deposits.

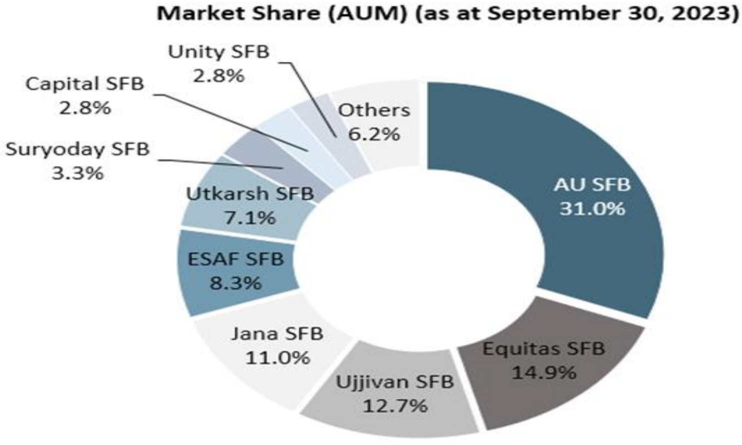
The exponential growth in the SFB industry is illustrated by the growth in both loans and deposits. As per FSIAPL's analysis, the advances and deposits in the SFB industry are projected to increase at a CAGR of 33.4% to 44.0% from Fiscal 2023 to Fiscal 2025.

Being a new segment in the banking sector, the SFBs have been making strong inroads into the credit market and enabling financial inclusiveness across the country. SFBs currently hold a minor market share of 1.34% in advances and 0.86% in deposits of the entire banking sector as at March 31, 2023. However, these banks have a good deposit mobilisation and outreach among the under-banked masses, which would drive their market share multi folds in the foreseeable future. The total deposits of SFBs in 2022-23 stood at Rs. 1,612.1 billion compared to Rs. 1,203.8 billion in 2021-22, clocking a y-o-y growth of 33.9%.

Factors that will support the growth of the SFBs include robust rural growth, new product offerings and associated cross-selling opportunities on both the liability and asset side, geographical diversification and opening of new branches, knowledge of local stakeholders, access to low-cost funds, improved risk management systems and expansion of organized credit channels.

Share of key players in SFB

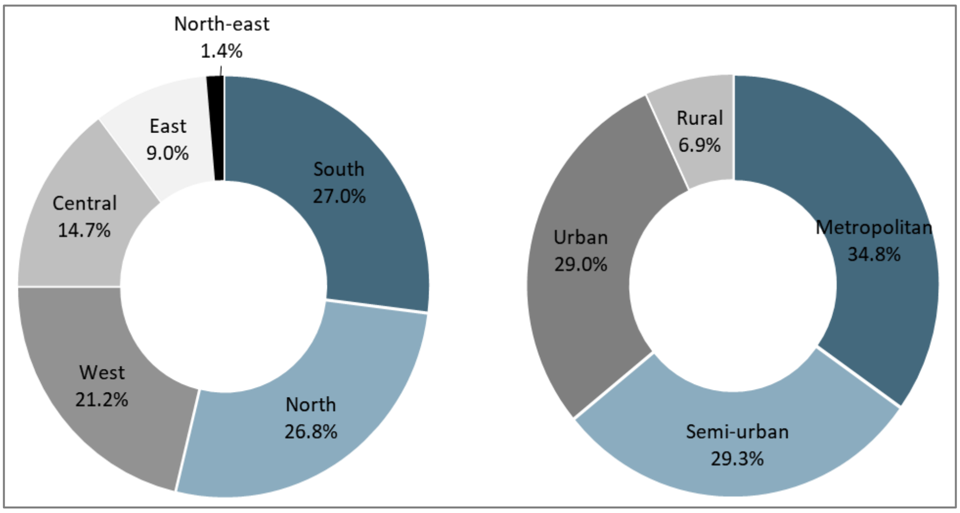
One thing to note is that the business strategies of different SFBs vary. Thus, AU Small Finance Bank, which has the largest AUM of Rs. 650.3 billion as at September 30, 2023, primarily operates in Rajasthan (34.0%), Maharashtra (16.0%) and Madhya Pradesh (14.0%). Over 60.5% of their loan book is concentrated in retail assets comprising vehicle loans and MSME loans as at September 30, 2023. Equitas SFB, the second largest player in terms of AUM with Rs. 312.3 billion as at September 30, 2023 has presence in product segments such as securities-based lending (SBL) (37%), vehicle loans (25%), and microfinance loans (19%). Other segments like Housing Finance, MSE Finance and loans to NBFCs (corporate loans) have grown in the last few quarters and accounted for 11%, 3% and 4% of AUM as on September 30, 2023, respectively. Ujjivan SFB with AUM of Rs. 265.7 billion as at September 30, 2023, is currently the third largest player in terms of AUM and is more geographically spread, though West Bengal (12.2%), Karnataka (13.3%) and Tamil Nadu (14.6%) are their leading markets. As at September 30, 2023, aside from 57% of micro banking portfolio, 15% of the Ujjivan SFB's AUM comprised affordable housing loans followed by individual loans (15%) and MSME loans accounting for 5%. Jana SFB, the fourth largest player in terms of AUM, has an AUM of Rs. 230.3 billion as at September 30, 2023. As at September 30, 2023, Jana SFB had 771 branches across 22 states and 2 union territories in India. The bank has served over 12.00 million customers since 2008, including approximately 4.87 million active customers. These four players account for almost 69.3% of the total SFB AUM as at September 30, 2023.



Source: Company's Investor Presentation, Quarterly Financial statements, FSIAPL Analysis
Note: Others include Fincare SFB, North East SFB and Shivalik SFB. AUM of Fincare SFB, North East SFB and Shivalik SFB is as at March 31, 2023. AUM for all other players is as at September 30, 2023.

Advance split across regions for SFBs

Advance split of SFBs across regions (Fiscal 2023)



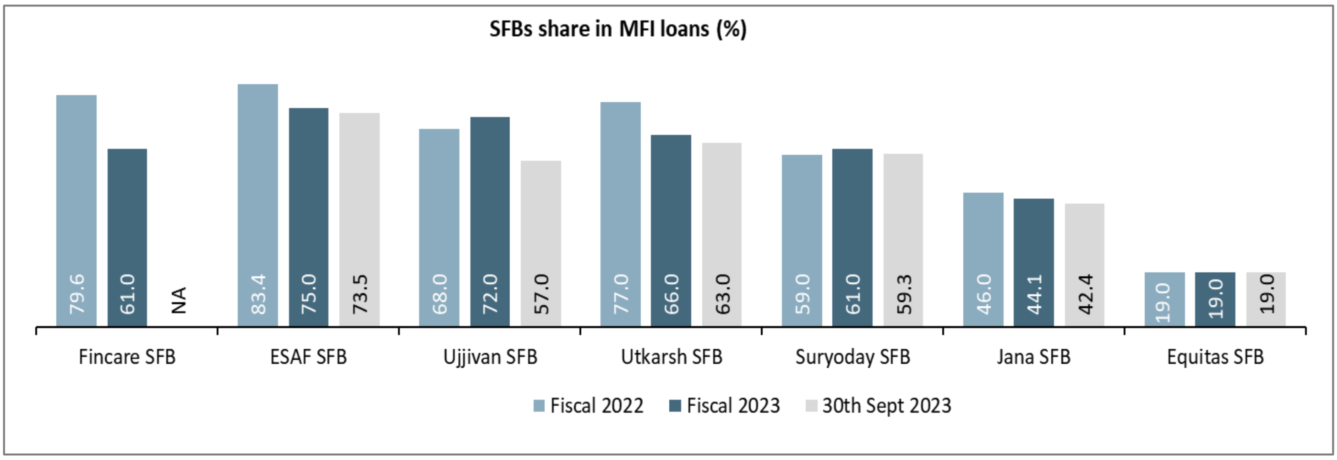
Source: RBI, FSIAPL Analysis
Note: 'Rural' group includes all centres with population of less than 10,000, 'Semi-urban' group includes centres with population of 10,000 and above but less than 0.1 million, 'Urban' group includes centres with population of 0.1 million and above but less than 1 million 'Metropolitan' group includes centres with population of 1 million and more.

South India accounts for 27.0% of the total advances of SFBs due to the major presence of players such as Ujjivan SFB, Equitas SFB, Jana SFB and ESAF SFB in the region. The north region accounts for 26.8% of the total advances of SFBs due to the presence of AU SFB which is the market leader in the SFB segment. The north-eastern region accounts for 1.4% of the total advances of SFBs. The majority of financial institutions believe that the eastern and north-eastern regions offer the maximum potential for growth in the future due to the relative saturation in the southern markets. Utkarsh SFB has a very strong presence in eastern India (Eastern UP, Bihar and Jharkhand).

Although the majority of Indian households are located in rural areas, the banking infrastructure investment in these regions is relatively low and thus there is a gap in the demand and supply of financial services in the backward regions of the country. As per FSIAPL, despite a significant contribution of nearly 47.0% to India's GDP, rural areas have only 9.3% share of total credit outstanding as at March 31, 2023. The loans share of SFBs in rural region is lower at 6.9% share of total credit outstanding as at March 31, 2023. Further, rural areas in India have lower financial inclusion compared to urban areas. This presents significant growth opportunities for small finance banks in rural and unserved areas. Particularly, bank credit and deposit penetration are low in the northern and eastern zones of India. In addition, the pace of opening new branches by scheduled commercial banks in these regions has slowed down in recent times. Majorly, banks focus on reducing the costs associated with physical branches and avoid opening branches in the rural areas. This provides ample headroom for SFBs to take the banking services to the remotest locations of the country.

Though SFBs have 55.4% of banking outlets in rural and semi-urban and unbanked areas of the country, advances comprise only 36.2% of the total loans disbursed in this region as at March 31, 2023. The rural and semi-urban centres face relatively lower competition and help bring a large number of customers under the umbrella of services. One of the major reasons for low advances of specifically SFBs to the rural region is because SFBs are in the nascent stage of their operations. The majority of SFBs have been in MFI operations since inception and have 18.0% of total banking outlets (including branches) in rural areas. Public sector and private sector banks have better brand recognition and greater business experience. Rural people lack brand awareness about SFBs which is changing currently. Leading SFBs are partnering organisations to sensitise customers towards financial discipline, educate them about the importance of savings, banking behaviour and responsible borrowing practices and are successful in attracting more rural customers.

SFBs share in MFI and Non-MFI going forward – Plans to diversify

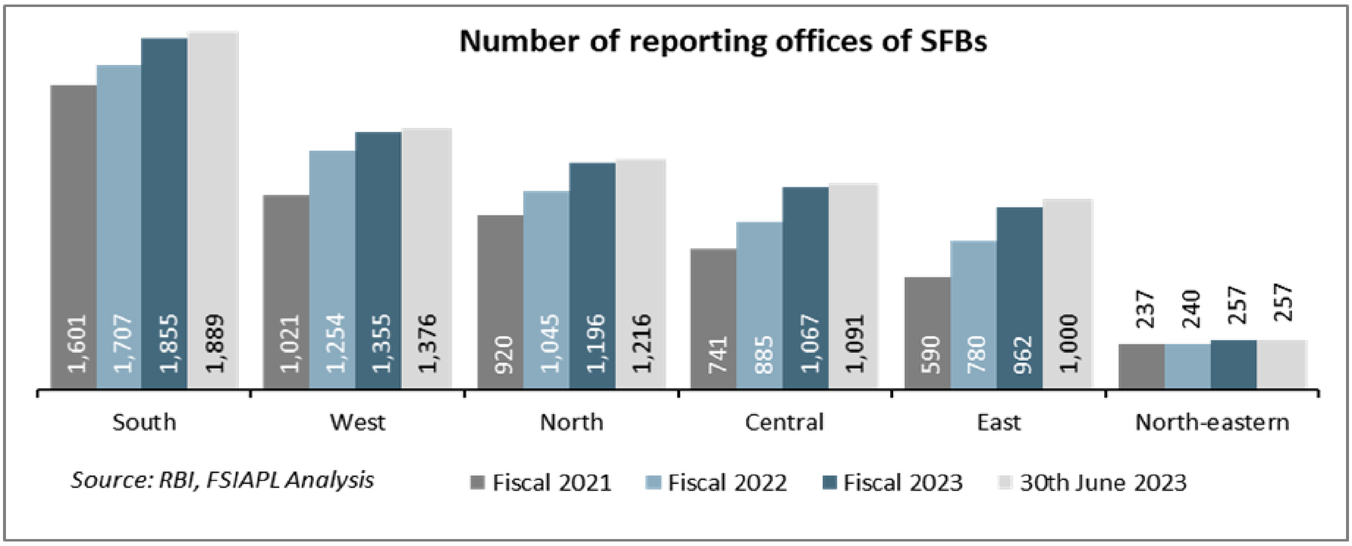


Source: Company's Annual Reports, Investor Presentations
Note: Percentages are as at March 31, 2022, March 31, 2023 and September 30, 2023. Data not available for AU SFB and Capital SFB.

As per the Microfinance Institutions Network's (MFIN) estimates, microfinance currently reaches less than 20.0% of potential households. However, there is still a large gap to be met in terms of the reach of microfinance. The microfinance industry is prone to socio-political and operational risks, which negatively impact the operations and financial position of SFBs. SFBs have a high share of microfinance in their portfolio as eight out of 10 SFBs were MFIs initially, although they are now diversifying into other segments such as MSME financing, vehicle loans and affordable housing, to drive expansion of customer base and focus on higher ticket size loans. SFBs are lowering their exposure to the microfinance segment in order to limit the volatility in asset quality. Post demonetization, the quality of the bank's microfinance portfolio witnessed high deterioration.

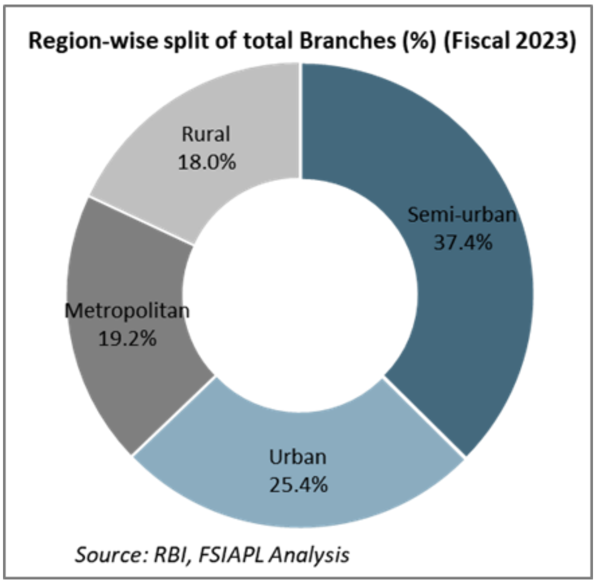
As per the graph given above, the share of MFI in total lending portfolio of the SFBs has decreased from Fiscal 2022 to September 30, 2023 for all the players. An important strategic focus for SFB is to diversify their fee and non-fund-based revenues. SFBs are leveraging their banking outlet network, digital channels and various diversified product and service portfolio to develop fee and commission-based business. SFBs are pursuing strategic relationships with corporate entities, the Government and the state governments, to expand outreach. Leading SFBs are planning to augment fee-based income, by introducing new products and services, and cross-selling offerings to existing customers. SFBs are planning to completely digitise their loan offerings and expand their outreach to a larger base of salaried customers, by partnering with digital aggregators and offering app-based lending with quick turnaround time.

Growth in network base of SFBs to curb geographic concentration of loan portfolio



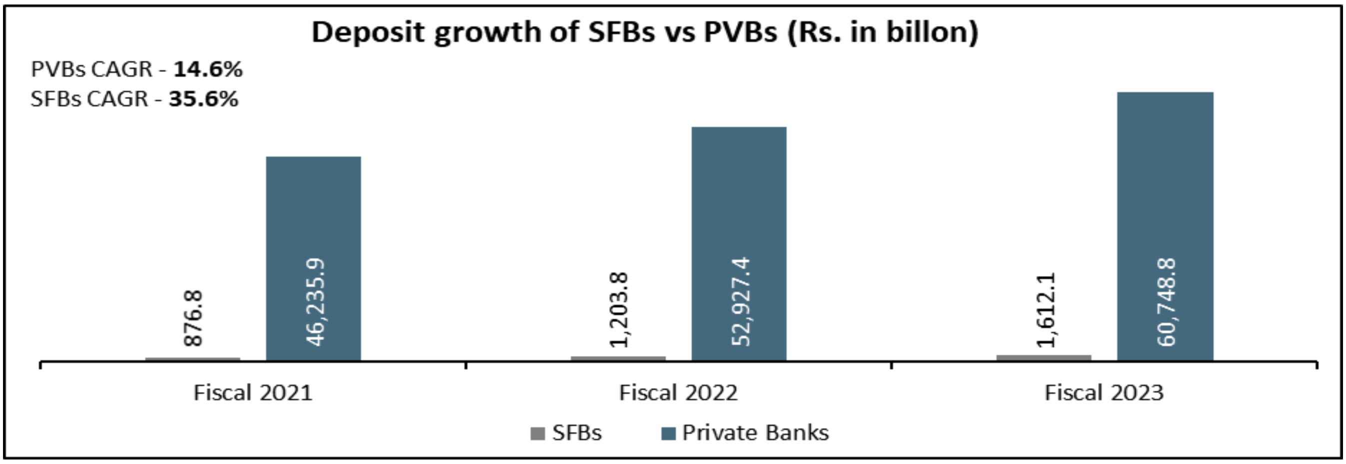
SFBs are converting their MFI branches to banking outlets. Leading SFBs are very selectively opening additional banking outlets and are leveraging the existing infrastructure to deepen their penetration. To promote non-branch delivery channels and encourage cashless transactions and adoption of digital platforms in a big way among their customers, SFBs are planning to set up a network of e-kiosks to provide round the clock access to customers in their neighbourhoods. SFBs intend to explore strategic partnerships with fintech companies to increase customer acquisition, reduce processing and on-boarding costs, reduce turnaround time and improve overall customer experience. SFBs are using the right combination of physical and digital channels and partnerships to expand their reach and deliver value to customers.

Region wise split of SFBs' total banking outlets across metropolitan, urban, rural and semi urban regions



With the majority of their banking outlets in rural and semi-urban areas, SFBs are focused on the unbanked and underbanked customers at the bottom of the pyramid to drive financial inclusion. From the pie-chart, it can be seen that branch penetration in rural areas is far better at 18.0% as compared to advances at just 9.6% in total SFB credit as at March 31, 2023.

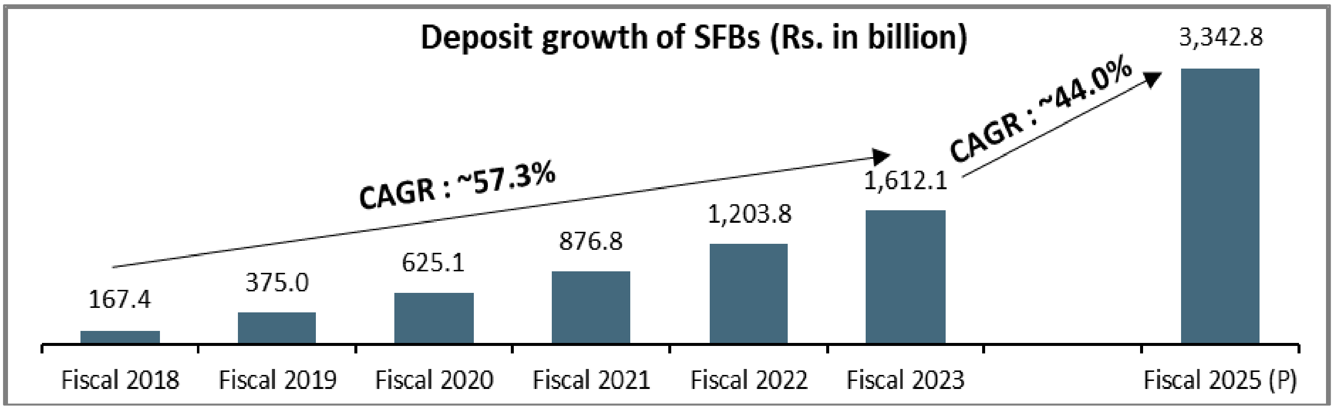
Deposit trends in the SFB industry



Source: RBI, FSIAPL Analysis
Note:
1. Deposits shown in this chart exclude inter-bank deposits.
2. Numbers are as at March 31, 2021, 2022 and 2023

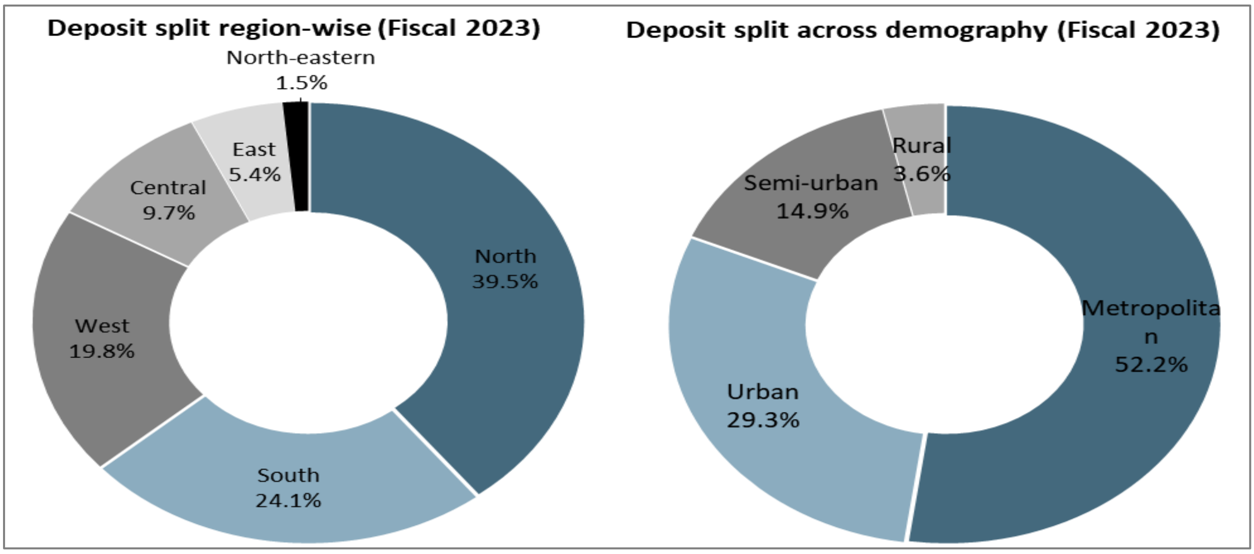
SFBs' deposits have grown at a CAGR of 35.6% in the period from Fiscals 2021 to 2023. They have expanded their customer base, driven by large scale new customer acquisitions across assets and deposit products. Aggregate deposits and advances of SFBs increased by 8.1% and 7.1% respectively, during the four quarters of Fiscal 2023 (quarterly average y-o-y growth). SFBs have been aggressively increasing their CASA deposits, with their share in total deposits increasing from 30.4% as at March 31, 2018 to 38.3% as at March 31, 2023 and even the CASA deposits for SFBs is estimated to have grown at 64.1% CAGR from Fiscal 2018 to Fiscal 2023.

SFBs' deposits have increased at the annual rate of 33.9% in Fiscal 2023 as compared to the previous year. Low cost of client acquisition over the long term due to wider reach, a customer-centric approach, technology usage and high interest rates, as compared to traditional banks, are the major reasons for the deposit growth.



Source: RBI, FSIAPL Analysis
Note:
1 Amounts are as at the end of the Fiscal indicated;
2. P: Projected;
3. Numbers are as at March 31, 2018, 2019, 2020, 2021, 2022 and 2023
4. Deposits shown under this table exclude inter-bank deposits.

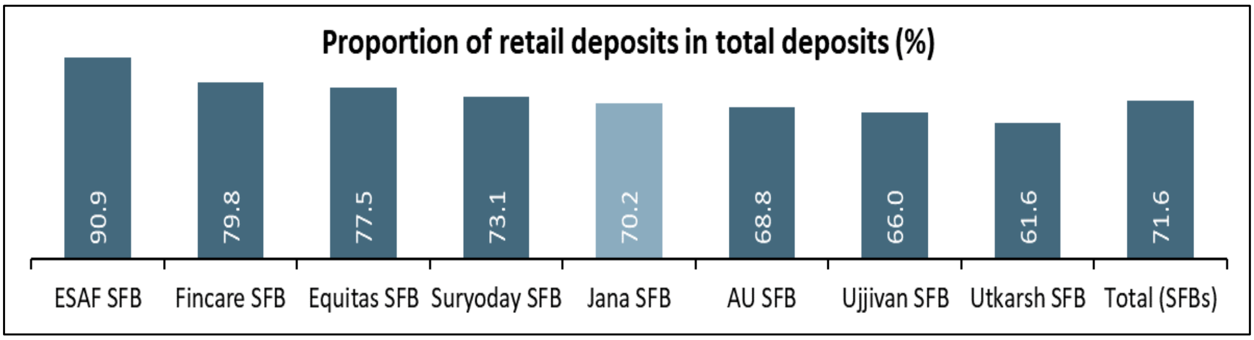
Deposit split of SFBs across regions and demography



Source: RBI, FSIAPL Analysis
Note:
1. Deposits shown in the charts exclude inter-bank deposits
2. 'Rural' group includes all centres with population of less than 10,000, 'Semi-urban' group includes centres with population of 10,000 and above but less than 0.1 million, 'Urban' group includes centres with population of 0.1 million and above but less than 1 million 'Metropolitan' group includes centres with population of 1 million and more.

North India accounted for 39.5% of the total deposit but advances in the region were low at 26.8% while the south comprised 24.1% of the deposits while advances in the south were 27.0% as at March 31, 2023. Similarly, central region also accounted for only 9.7% of the deposits while advances in the region were 14.7% as at March 31, 2023. SFBs are mobilising their funds from one region and lending to other where demand is more. East India accounted for 5.4% of deposits while advances in the region accounted for 9.0% of advances as at March 31, 2023. As SFBs are operating with the objective of serving the under-served, semi-urban and rural areas account for 18.5% of the total deposits while the advances of these segments account for 36.2% of the total advances March 31, 2023.

Retail Deposit percentage of total deposits of the SFB industry

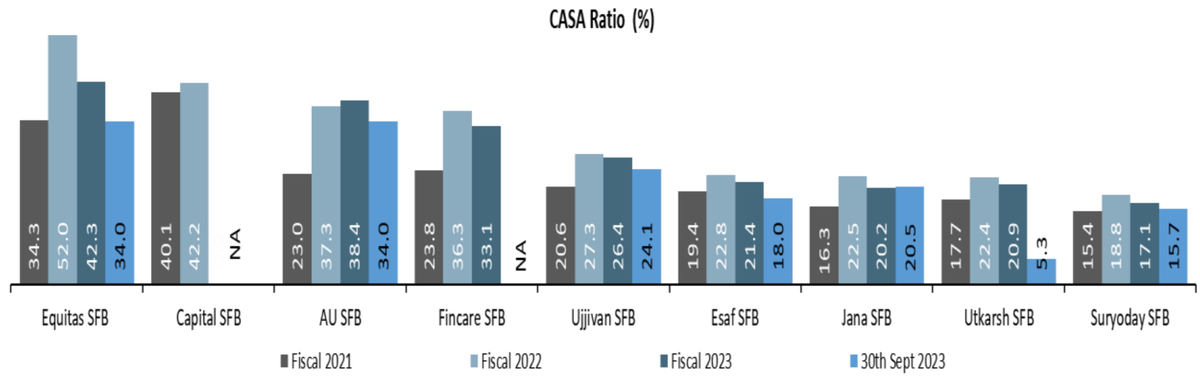


Note:
1. Retail deposit includes CASA and retail term deposit
2. Percentages are as at March 31, 2023

Jana SFB stood at fifth in terms of share of retail deposits to total deposits (70.22%) amongst the top five SFBs as at March 31, 2023.

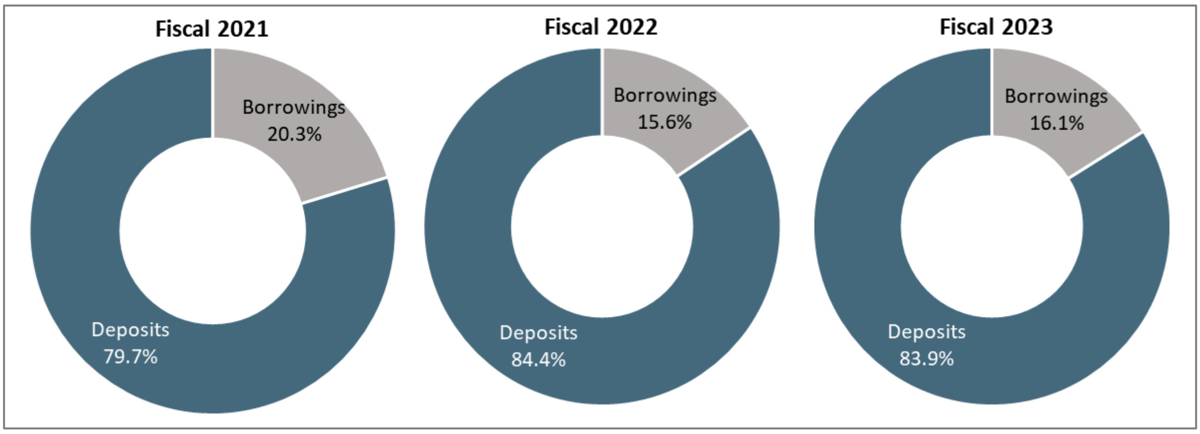
SFBs intend to strengthen their liability franchise with a focus on growing their deposit base to attain a stable, low-cost source of funding. In the deposit segment itself, SFBs have placed a strong emphasis on increasing its retail deposits, as they have lower rates of interest compared to wholesale deposits. SFBs plan to meet a majority of their funding requirements through CASA deposits as well as recurring and fixed deposits.

Movement of CASA ratio (Fiscal 2021 – September 30, 2023)



Source: Company's website and annual report, Investor Presentation, RBI, FSIAPL Analysis
Note:
CASA ratio for Capital SFB and Fincare SFB is not available. CASA ratio is the ratio of CASA to total deposit.
Percentages are as at March 31, 2021, 2022, 2023 and September 30, 2023

Resource profile of SFBs – Mix of deposits and other liabilities as at March 31, 2021, 2022 and 2023 for the Industry



Source: Company's Annual Report, RBI, FSIAPL Analysis
Note:
1. Deposits shown in the charts exclude inter-bank deposits.
2. Total borrowings for North East SFB are considered as at September 30, 2022 and for Capital SFB is considered as at March 31, 2022

SFBs are substituting high-cost borrowing in the form of term loans and non-convertible debentures (NCDs) with low-cost deposits and market borrowings. Along with this, they are exploring securitisation and inter-bank participation certificates (IBPC) transactions in addition to term loan facilities from banks, available lines of refinance from other financial institutions and medium-term line of credit from development finance institutions (DFIs).

Asset quality for the SFB industry: GNPA trend and Credit Cost (as at March 31, 2021 – September 30, 2023)

SFBs	As at March 31, 2021		As at March 31, 2022		As at March 31, 2023	
	GNPA Amount (Rs. in Million)	GNPA (%)	GNPA Amount (Rs. in Million)	GNPA (%)	GNPA Amount (Rs. in Million)	GNPA (%)
AU SFB	15,030.0	4.3	9,240.0	2.0	9,813.1	1.7
Equitas SFB	6,427.8	3.7	8,371.8	4.2	7,239.6	2.8
Ujjivan SFB	10,706.0	7.1	12,840.8	7.3	6,306.1	2.9
Jana SFB	**8,579.9**	**6.7**	**7,569.0**	**5.7**	**7,091.9**	**3.9**
ESAF SFB	5,640.0	6.7	9,495.9	7.8	3,516.9	2.5
Fincare SFB	3,535.9	6.4	5,732.3	7.8	2,884.7	3.3
Utkarsh SFB	3,152.9	3.8	6,481.6	6.1	4,315.0	3.2
Suryoday SFB	3,936.8	9.4	5,974.2	11.8	1,914.0	3.1
Capital SFB	782.4	2.1	1,171.3	2.5	1,526.2	2.8

Source: Company's website and annual report, FSIAPL Analysis

SFBs	For the half year ended September 30, 2022		For the half year ended September 30, 2023	
	GNPA Amount (Rs. in Million)	GNPA (%)	**GNPA Amount** (Rs. in Million)	GNPA (%)
AU SFB	9,967.0	1.90	12,447.5	1.91
Equitas SFB	8,702.6	3.91	6,604.9	2.27
Ujjivan SFB	9,288.6	5.06	5,858.0	2.35
Jana SFB	**10,234.8**	**6.83**	**5,213.1**	**2.44**
ESAF SFB	9,617.5	8.11	3,991.2	2.64
Fincare SFB	3,355.9	4.46	1,675.4	1.59
Utkarsh SFB	5,438.4	4.61	4,035.3	2.81
Suryoday SFB	5,326.6	9.90	1,977.3	2.90
Capital SFB	1,351.1	2.60	1,604.2	2.73

Source: Company's Quaterly Financial statements, FSIAPL Analysis

Credit Cost (%)

SFBs	Fiscal 2021	Fiscal 2022	Fiscal 2023
AU SFB	1.3%	0.9%	0.3%
Equitas SFB	2.5%	2.7%	1.8%
Ujjivan SFB	5.6%	7.4%	0.1%
Jana SFB	**3.4%**	**4.6%**	**4.8%**
ESAF SFB	3.8%	4.2%	3.8%
Fincare SFB	5.0%	6.8%	4.1%
Utkarsh SFB	4.0%	5.0%	2.6%
Suryoday SFB	4.5%	9.0%	4.4%
Capital SFB	2.1%	2.5%	2.8%
Total industry	**32.0%**	**43.2%**	**24.8%**

Source: Company's website and annual report, FSIAPL Analysis

Note: Credit Cost is calculated as the ratio of total provisions towards NPAs and write-offs and provision towards standard assets to the company's average net advances for the relevant fiscal year, expressed as a percentage.

SFBs	For the half year ended September 30, 2022	For the half year ended September 30, 2023
AU SFB	0.3%	0.5%
Equitas SFB	2.2%	0.9%
Ujjivan SFB*	0.2%	0.6%
Jana SFB	**5.5%**	**3.6%**
ESAF SFB	3.8%	3.2%
Fincare SFB	5.8%	1.3%
Utkarsh SFB	3.4%	2.4%
Suryoday SFB	5.9%	2.5%
Capital SFB	0.5%	0.1%

Source: Company's website, Quarterly financial statements, Investor Presentation, FSIAPL Analysis
Note: Credit Cost is calculated as the ratio of total provisions towards NPAs and write-offs and provision towards standard assets to the company's average net advances for the relevant period, expressed as a percentage.

In the wake of the COVID-19 pandemic and the ensuing nationwide lockdown between the last week of March 2020 and May 31, 2020, SFBs expected the shutdown to adversely impact the portfolio quality, and therefore made a prudential provision leading to an increase in provisions for some of the SFBs. The benefit of RBI dispensation on NPA recognition norms were applied on the moratorium portfolio, which prevented a spike in Credit Cost to some extent.

Profitability of SFB industry

Return on Equity (%)			
SFBs	Fiscal 2021	Fiscal 2022	Fiscal 2023
AU SFB	23.4	16.4	15.5
Ujjivan SFB	0.3	13.8	31.8
Equitas SFB	12.7	7.8	12.6
Jana SFB	**7.5**	**1.5**	**16.8**
Esaf SFB	8.7	4.1	19.4
Utkarsh SFB	10.0	4.1	22.8
Fincare SFB	11.8	0.8	8.3
Suryoday SFB	1.0	5.9	15.0
Capital SFB	9.5	13.0	24.0

Return on Assets (%)			
SFBs	Fiscal 2021	Fiscal 2022	Fiscal 2023
AU SFB	2.5	1.9	1.8
Ujjivan SFB	0.0	(2.0)	3.9
Equitas SFB	1.7	1.1	1.9
Jana SFB	**0.5**	**0.1**	**1.1**
Esaf SFB	1.0	0.4	1.6
Utkarsh SFB	1.0	0.5	2.4
Fincare SFB	1.5	0.1	0.9
Suryoday SFB	0.2	(1.3)	2.2
Capital SFB	0.7	0.9	1.2

Source: Company's website and annual report, CMIE, Indian Banks Association (IBA), FSIAPL Analysis

Return on Equity (%)		
SFBs	For the half year ended September 30, 2022	For the half year ended September 30, 2023
AU SFB	13.9	13.9
Ujjivan SFB	30.2	29.0
Equitas SFB	10.6	14.6
Jana SFB	**8.0**	**19.6**
Esaf SFB	11.1	15.8
Utkarsh SFB	11.7	19.3
Fincare SFB	(1.5)	16.2
Suryoday SFB	2.7	12.2
Capital SFB	7.7	8.1

Return on Assets (%)		
SFBs	For the half year ended September 30, 2022	For the half year ended September 30, 2023
AU SFB	1.7	1.7
Ujjivan SFB	2.1	1.9
Equitas SFB	0.7	1.0
Jana SFB	**0.5**	**1.6**
Esaf SFB	0.9	1.3
Utkarsh SFB	0.2	1.0
Fincare SFB	3.2	(0.3)
Suryoday SFB	0.5	2.0
Capital SFB	0.6	0.6

Source: Company's website, Quarterly financial statements, Investor Presentation, Annual Reports, FSIAPL Analysis
Note:
(1) Return on Equity (also called Return on Average Equity) is calculated as the net profit for the relevant period/ fiscal year to Average Net Worth for the relevant period/ fiscal year, expressed as a percentage.
(2) Return on Assets (also called Return on Average Assets) is calculated as the net profit for the relevant period/ fiscal year to Average Total Assets for the relevant period/ fiscal year, expressed as a percentage.

In Fiscal 2023, Ujjivan SFB has the highest RoA and RoE in the industry with 3.9% and 31.8% respectively which were increased from 0.04% and 0.3% respectively in Fiscal 2021 due to elevated credit costs. For Jana SFB RoA and RoE improved to 1.13% and 16.78% respectively as at March 31, 2023 from 0.09% and 1.53%, respectively as at March 31, 2022.

As of September 30, 2023, Ujjivan SFB has the highest RoE in the industry with 29.0%. As of September 30, 2023, Suryoday SFB has the highest RoA in the industry with 2%. For Jana SFB RoA and RoE improved to 1.6% and 19.6% respectively as at September 30, 2023 from 0.5% and 8.0% respectively as at September 30, 2022.

Peer benchmarking among SFBs (Fiscal 2023)

Players	AUM Fiscal 2023 (Rs. in billion)	AUM y-o-y growth (Fiscal 2023)	Disbursements (Fiscal 2023) (Rs. in billion)	Disbursements y-o-y growth (Fiscal 2023)	Deposit (Fiscal 2023) (Rs. in billion)	Deposit y-o-y growth (Fiscal 2023)	Credit to deposit ratio (Fiscal 2023)	Banking outlets (Fiscal 2023)	Number of employees (Fiscal 2023)	Capital Adequacy Ratio (CRAR) (Fiscal 2023)	Capital Adequacy Ratio – Tier 1 (Fiscal 2023)	Presence in states/ UTs (Fiscal 2023)
SFBs												
AU SFB	591.6	24.0%	320.1	26.0%	693.6	31.9%	85.3%	1,027	28,320	23.6%	21.8%	24
Equitas SFB	278.6	35.0%	200.4	80.0%	253.8	33.9%	109.8%	922	20,563	23.8%	23.1%	18
Ujjivan SFB	240.9	32.0%	200.4	42.0%	255.4	39.6%	94.3%	629	17,870	25.8%	22.7%	25
Jana SFB	**201.0**	**31.0%**	**148.1**	**27.8%**	**163.3**	**20.6%**	**123.1%**	**754**	**18,184**	**15.6%**	**13.0%**	**24**
ESAF SFB	163.3	35.0%	146.9	23.0%	146.7	14.4%	111.4%	700	5,034	19.8%	18.1%	23
Utkarsh SFB	139.6	32.0%	124.4	37.6%	137.1	36.1%	101.8%	830	15,424	20.6%	18.3%	22
Fincare SFB	99.1	32.0%	88.2	28.6%	80.3	24.4%	123.4%	1,231	14,804	20.0%	18.6%	19
Suryoday SFB	61.1	20.0%	50.8	44.1%	51.7	34.1%	118.3%	577	6,025	33.7%	30.8%	15
Microfinance												
Credit Access Grameen	176.0	28.0%	71.7	23.8%	NA	NA	NA	1,786[#]	16,759	23.6%	22.7%	15
Spandana Sphoorty	85.1	29.0%	30.5	120.0%	NA	NA	NA	1,227	10,016	36.9%	NA	18^
Fusion Micro Finance	929.6	37.0%	86.0	39.1%	NA	NA	NA	1,086	9,456^^	27.9%	NA	20
Universal banks												
Bandhan Bank	1091.0	10.0%	NA	NA	1,080.7	12.2%	101.0%	5,723	69,702	19.8%	18.7%	34

Source: Company's Annual Reports and Presentations, CMIE, FSIAPL Analysis
Note:
1. Banking outlets include bank branches, ultra-small branches and asset centres as reported by the players;
2. Credit deposit ratio is net advances as %age to deposits (to be modified as per the metric used)

Peer benchmarking among SFBs (as at and for the half year ended September 30, 2023)

Players	AUM 30th Sept 2023 (Rs. in billion)	AUM y-o-y growth (30th Sept 2023)	Disbursements (30th Sept 2023) (Rs. in billion)	Disbursements y-o-y growth (30th Sept 2023)	Deposit (30th Sept 2023) (Rs. in billion)	Deposit y-o-y growth (30th Sept 2023)	Credit to deposit ratio (30th Sept 2023)	Banking outlets (30th Sept 2023)	Number of employees (30th Sept 2023)	Capital Adequacy Ratio (CRAR) (30th Sept 2023)	Capital Adequacy Ratio – Tier 1 (30th Sept 2023)	Presence in states/ UTs (30th Sept 2023)
SFBs												
AU SFB	650.3	24.0%	NA	NA	757.4	30.0%	85.9%	1,042	28,500	22.4%	21.0%	24
Equitas SFB	312.3	37.0%	49.6	29.0%	308.4	42.0%	101.3%	956	21,862	21.3%	20.7%	18
Ujjivan SFB	265.7	27.0%	57.5	18.3%	291.4	43.0%	91.2%	700	21,040	25.2%	22.5%	26
Jana SFB	**230.3**	**42.4%**	**84.8**	**29.2%**	**189.4**	**33.5%**	**110.9%**	**771**	**20,355**	**17.5%**	**15.7%**	**24**
ESAF SFB	174.9	37.0%	78.5	52.2%	174.2	28.8%	85.6%	700	5,505	20.6%	18.2%	23
Utkarsh SFB	148.9	26.4%	NA	NA	139.7	19.0%	106.6%	871	16,364	24.8%	23.0%	26
Fincare SFB	105.6	NA	NA	NA	94.5	41.8%	110.8%	NA	NA	20.7%	NA	NA
Suryoday SFB	69.2	28.7%	27.9	30.8%	63.9	51.9%	108.3%	635	6,989	30.2%	28.0%	15
Capital SFB	58.7	12.9%	NA	NA	70.0	13.3%	83.8%	NA	NA	20.7%	15.3%	5
Microfinance												
Credit Access Grameen	224.9	36.0%	49.7	13.5%	NA	NA	NA	1877	19,241	25.0%	24.1%	17
Spandana Sphoorty	97.8	69.2%	25.1	81.0%	NA	NA	NA	1,502	12,677	36.6%	NA	19
Fusion Micro Finance	100.3	24.6%	23.4	14.2%	NA	NA	NA	1,164	10,363	28.8%	NA	22
Universal banks												
Bandhan Bank	1076.3	12.3%	169.9	32.3%	1,120.8	12.8%	96.0%	4,598	74,391	20.6%	18.2%	35

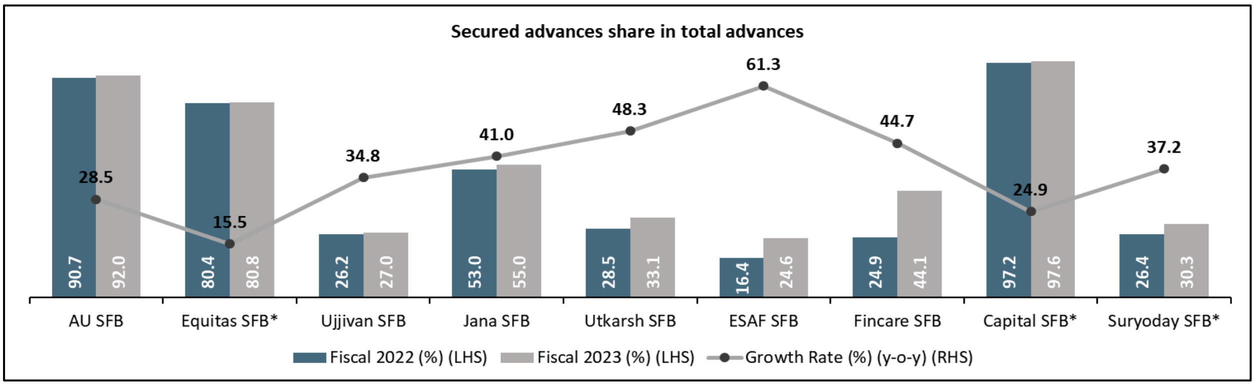
Source: Company’s Quarterly financial statements, Investor Presentations, FSIAPL
Note:
1. Banking outlets include bank branches, ultra-small branches and asset centres as reported by the players;
2. Credit deposit ratio is net advances as %age to deposits (to be modified as per the metric used)

AU SFB’s deposits grew at an annual growth rate of 31.9%, which was the fastest among all the SFBs. Equitas SFB witnessed the highest disbursement growth rate at 80.0% among SFBs. Jana SFB's total capital adequacy ratio stood at 15.57% (Tier-I at 13.02%) as at March 31, 2023.

As of September 30, 2023, Suryoday SFB’s deposits grew at an annual growth rate of 51.9% and stood at Rs. 63.9 billion as at September 30, 2023. Ujjivan SFB’s deposits grew at an annual growth rate of 43% and stood at Rs. 291.4 billion as at September

30, 2023. Jana SFB's deposits grew at an annual growth rate of 33.5% and stood at Rs. 189.4 billion as at September 30, 2023. Jana SFB's total capital adequacy ratio stood at 15.6% (Tier-I at 13.02%) as at September 30, 2023.

Jana SFB is the fourth fastest growing secured advances franchise among SFBs (from March 31, 2022 to March 31, 2023)



Source: Company Annual Reports, FSIAPL Analysis
Note:
1. (*) data as at March 31, 2022;
2. Percentages are as at March 31, 2022 and 2023

Jana SFB's secured gross advances have increased from Rs. 50.76 billion as at March 31, 2022 to Rs. 99.05 billion as at March 31, 2023, an increase of 41.0%, which is just below the growth rate of ESAF SFB, Utkarsh SFB, and Fincare SFB. Jana SFB's secured gross advances as a percentage of total gross advances has increased from 42.87% as at March 31, 2021, to 55.02% as at March 31, 2023.

Gross advances percentage share of SFBs in top three states (as at March 31, 2023)

Bank Name	States	Gross Advances Share	Top 3 states % share
AU SFB	Rajasthan	35.0%	66.0%
	Madhya Pradesh	17.0%	
	Maharashtra	14.0%	
	Others	34.0%	
Jana SFB	Tamil Nadu	13.7%	38.8%
	Maharashtra	13.5%	
	Karnataka	11.6%	
	Others	61.2%	
Ujjivan SFB	Tamil Nadu	15.5%	41.1%
	Karnataka	13.4%	
	West Bengal	12.2%	
	Others	58.9%	
Equitas SFB (^)	Tamil Nadu	54.0%	54.0%
	Others	46.0%	
ESAF SFB (*)	Kerala	42.8%	65.0%
	Tamil Nadu	22.3%	
	Others	35.0%	
Utkarsh SFB	Bihar	30.9%	69.1%
	Uttar Pradesh	26.0%	
	Maharashtra	12.2%	
	Others	30.9%	
Suryoday SFB	Maharashtra	31.3%	69.8%
	Tamil Nadu	24.8%	
	Odisha	13.7%	
	Others	30.2%	
Fincare SFB	NA	NA	NA
Capital SFB	NA	NA	NA

Source: Company's Annual Report, Investor Presentation, FSIAPL
Note:
1. (^) Data for Equitas SFB is available for Tamil Nadu only;
(*) Data for ESAF SFB is available for Kerala and Tamil Nadu only

Jana SFB has a major presence in Tamil Nadu (13.7% of its total gross advances as at March 31, 2023) while its top three states in terms of gross advances accounted for 38.8% of its total Gross Advances as at March 31, 2023.

Gross advances percentage share of SFBs in top three states (as at and for the half years ended September 30, 2022 and September 30, 2023)

Bank Name	States	Gross Advances Share (30th Sept 2022)	Top 3 states % share (30th Sept 2022)	States	Gross Advances Share (30th Sept 2023)	Top 3 states % share (30th Sept 2023)
AU SFB	Rajasthan	38.0%	56.0%	Rajasthan	34.0%	53.0%
	Madhya Pradesh	13.0%		Madhya Pradesh	14.0%	
	Delhi	5.0%		Delhi	5.0%	
	Others	44.0%		Others	47.0%	
Jana SFB	Tamil Nadu	15.7%	42.3%	Tamil Nadu	13.8%	38.2%
	Maharashtra	13.5%		Maharashtra	12.3%	
	Karnataka	13.2%		Karnataka	12.2%	
	Others	57.7%		Others	61.8%	
Ujjivan SFB	Tamil Nadu	15.5%	41.7%	Tamil Nadu	14.6%	40.1%
	Karnataka	14.1%		Karnataka	13.3%	
	West Bengal	12.1%		West Bengal	12.2%	
	Others	58.3%		Others	59.9%	
Equitas SFB	Tamil Nadu	53.0%	76.0%	Tamil Nadu	50.0%	75.0%
	Maharashtra	13.0%		Maharashtra	14.0%	
	Karnataka	10.0%		Karnataka	11.0%	
	Others	24.0%		Others	25.0%	
ESAF SFB	Kerala	NA	NA	Kerala	NA	NA
	Tamil Nadu	NA		Tamil Nadu	NA	
	Others	NA		Others	NA	
Utkarsh SFB	Bihar	NA	NA	Bihar	NA	NA
	Uttar Pradesh	NA		Uttar Pradesh	NA	
	Maharashtra	NA		Maharashtra	NA	
	Others	NA		Others	NA	
Suryoday SFB	Maharashtra	NA	NA	Maharashtra	22.0%	61.0%
	Tamil Nadu	NA		Tamil Nadu	22.0%	
	Odisha	NA		Odisha	17.0%	
	Others	NA		Others	39.0%	
Fincare SFB	NA	NA	NA	NA	NA	NA
Capital SFB	NA	NA	NA	NA	NA	NA

Source: Company's website, Quarterly financial statements, Investor Presentation, FSIAPL

As of September 30, 2023, Jana SFB has a major presence in Tamil Nadu (13.8% of its total gross advances as at September 30, 2023) while its top three states in terms of gross advances accounted for 38.2% of its total Gross Advances as at September 30, 2023.

The state mix of deposits as at March 31, 2023 is given below (%):

SFBs (%)	Bihar	Gujarat	Uttar Pradesh	Delhi NCR	Chhattisgarh	Madhya Pradesh	Maharashtra	Karnataka	Rajasthan	Tamil Nadu	West Bengal	Odisha	Punjab	Haryana	Himachal Pradesh	Others
AU SFB	-	7.0	2.0	12.0	1.0	4.0	19.0	2.0	31.0	-	-	-	9.0	7.0	2.0	4.0
Jana SFB	**2.1**	**3.8**	**7.0**	**7.6**	**2.3**	**2.9**	**10.4**	**11.8**	**3.1**	**10.0**	**10.0**	**4.8**	**7.5**	**3.7**	**-**	**13.0**
Suryoday SFB	-	5.5	-	-	-	1.2	39.6	6.8	-	21.8^	-	5.1	-	-	-	20.0

Source: Company's Annual Report

Note: (^) Puducherry is included in Tamil Nadu. The state mix of deposits of 6 players namely Ujjivan SFB, Equitas SFB, ESAF SFB, Utkarsh SFB, Fincare SFB and Capital SFB are not available in public domain

The state mix of deposits as at September 30, 2023 is given below (%):

SFBs (%)	Bihar	Gujarat	Uttar Pradesh	Delhi NCR	Chhattisgarh	Madhya Pradesh	Maharashtra	Karnataka	Rajasthan	Tamil Nadu	West Bengal	Odisha	Punjab	Haryana	Himachal Pradesh	Others
AU SFB	-	7.0	3.0	15.0	1.0	5.0	19.0	2.0	26.0	-	-	-	9.0	8.0	3.0	3.0
Jana SFB	**2.1**	**4.1**	**6.8**	**7.4**	**3.0**	**2.9**	**10.7**	**12.3**	**2.8**	**8.6**	**9.5**	**4.6**	**7.9**	**4.0**	**-**	**13.4**
Equitas SFB	-	5.0	2.0	8.0	2.0	4.0	12.0	9.0	6.0	29.0	-	-	7.0	5.0	-	11.0
Utkarsh SFB	5.8		17.4	12.1			15.5							8.4		40.8
Suryoday SFB	-	6.0	-	12.00	-		39.0	7.0	-	21.0	-	6.0	-	-	-	9.0

Source: Company's Quarterly financial statements, Investor Presentation, FSIAPL

Note: The state mix of deposits of 4 players namely Ujjivan SFB, ESAF SFB, Fincare SFB and Capital SFB are not available in public domain

The state mix of deposits as at September 30, 2022 is given below (%):

SFBs (%)	Bihar	Gujarat	Uttar Pradesh	Delhi NCR	Chhattisgarh	Madhya Pradesh	Maharashtra	Karnataka	Rajasthan	Tamil Nadu	West Bengal	Odisha	Punjab	Haryana	Himachal Pradesh	Others
AU SFB	-	6.0	3.0	12.0	1.0	5.0	22.0	1.0	31.0	-	-	-	9.0	7.0	1.0	2.0
Jana SFB	**2.3**	**3.8**	**6.1**	**7.9**	**1.9**	**2.9**	**10.9**	**12.2**	**2.9**	**9.7**	**10.4**	**3.2**	**8.9**	**4.1**	**-**	**12.8**
Equitas SFB	-	6.0	2.0	8.0	2.0	4.0	12.0	10.0	5.0	31.0	-	-	5.0	5.0	-	10.0
Suryoday SFB	-	6.0	-	-	-	1.0	39.0	7.0	-	22.0	-	4.0	-	-	-	20.0

Source: Company's Quarterly financial statements, Investor Presentation, FSIAPL
Note: The state mix of deposits of 5 players namely Ujjivan SFB, Equitas SFB, ESAF SFB, Fincare SFB and Capital SFB are not available in public domain

Jana SFB is the fourth-largest SFB in India in terms of deposit size

Jana SFB is the fourth largest SFB in terms of deposit size as at September 30, 2023, with deposits of Rs. 189.4 billion, and its market share of deposits in the SFB segment as at September 30, 2023 was 9.1%. Jana SFB is the fourth largest SFB in terms of AUM as at September 30, 2023, with AUM of Rs. 213.5 billion and its market share of AUM in the SFB segment as at September 30, 2023 was 10.7%. As at September 30, 2023, Jana SFB had 771 banking outlets across 22 states and 2 union territories in India. As Jana SFB expands its liability-accepting banking outlet footprint, FSIAPL expects Jana SFB's deposits to increase.

Jana SFB's ratio of current account and savings account (CASA) deposits to total deposits was 20.2%, 22.5% and 16.3% as on March 31, 2023, March 31, 2022 and March 31, 2021, respectively. Jana SFB's ratio of current account and savings account (CASA) deposits to total deposits was 20.5% as of September 30, 2023.

Operational efficiency of SFBs as at March 31, 2023

SFBs	Gross advances per employee (Rs. in million)	Deposits per employee (Rs. in million)
AU Small	206.3	244.9
Equitas SFB	125.5	123.4
Ujjivan SFB	119.1	142.9
ESAF SFB	276.6	291.3
Jana SFB	**99.0**	**89.8**
Utkarsh SFB	84.7	88.9
Fincare SFB	58.8	54.3
Suryoday SFB	99.8	85.8
Capital SFB	305.3	407.5
Bandhan Bank	142.5	138.2

Source: Company's Annual Report

Operational efficiency of SFBs as at and for the half year ended September 30, 2023

SFBs	Gross advances per employee (Rs. in million)	Deposits per employee (Rs. in million)
AU Small	228.2	265.8
Equitas SFB	142.9	141.1
Ujjivan SFB	115.6	138.5
ESAF SFB	NA	NA
Jana SFB	**104.9**	**93.0**
Utkarsh SFB	86.0	85.3
Fincare SFB	NA	NA
Suryoday SFB	99.0	91.4
Capital SFB	NA	NA
Bandhan Bank	144.7	150.7

Source: Company's Quarterly financial statements, Investor Presentation, FSIAPL

As some SFBs use business correspondents and other third parties to help operate their businesses, advances per employee and deposits per employee may not be indicative of how efficient an SFB is.

Product mix based on gross advances of all SFBs and banks as at March 31, 2023 (%)

SFBs	MFI	Vehicle loans	Housing Finance	MSME	Large and mid-corporate loans	Gold loans	Personal Loans	Others
AU SFB	-	32.2%	7.2%	31.8%	21.6%	3.7%	1.1%	2.5%
Equitas SFB	19.0%	25.0%	10.0%	40.0%	-	-	-	6.0%
Ujjivan SFB	59.0%	-	14.0%	7.0%	5.0%	-	13.0%	2.0%
ESAF SFB	75.0%	-	-	1.0%	-	-	-	24.0%
Jana SFB	**44.6%**	**1.3%**	**13.2%**	**14.5%**	**7.8%**	**1.2%**	**-**	**17.4%**
Utkarsh SFB	66.0%	4.0%	3.0%	11.0%	11.0%	-	-	5.0%
Fincare SFB	61.0%	-	28.0%	-	-	9.0%		2.0%
Suryoday SFB	61.1%	6.2%	10.9%	17.0%	-	-		4.8%
Capital SFB*	-	-	24.0%	23.3%				52.7%
Bandhan Bank	34.9%	-	24.3%	17.2%	18.5%	-	5.1%	0.0%

Source: Company's Annual Reports and Presentations
Note:
1. (*) Data is as of March 31, 2022
2. Percentages are as at March 31, 2023

Product mix based on gross advances of all SFBs and banks as at and for the half year ended September 30, 2023 (%)

SFBs	MFI	Vehicle loans	Housing Finance	MSME	Large and mid-corporate loans	Gold loans	Personal Loans	Others
AU SFB	-	31.9%	7.8%	28.6%	22.8%	4.0%	1.1%	4.7%
Equitas SFB	19.0%	25.0%	11.0%	37.0%	3.0%	1.0%	-	4.0%
Ujjivan SFB	57.0%	-	15.0%	5.0%	5.0%	-	15.0%	3.0%
ESAF SFB	73.5%	-	-	4.7%	-	-	0.0%	21.9%
Jana SFB	**42.4%**	**1.6%**	**13.8%**	**15.0%**	**6.5%**	**1.3%**	**0.0%**	**19.4%**
Utkarsh SFB	63.0%	5.0%	4.0%	13.0%	11.0%	4.0%	-	0.0%
Fincare SFB	NA	NA	NA	NA	NA	NA	NA	NA
Suryoday SFB	59.3%	7.9%	10.9%	7.2%	10.8%	-	-	3.9%
Capital SFB	NA	NA	NA	NA	NA	NA	NA	NA
Bandhan Bank	33.2%	-	24.9%	16.9%	21.4%	-	-	3.6%

Source: Company's Quarterly Financial Statements, Investor Presentations
Note: Percentages are as at September 30, 2023

Most of the SFBs were originally involved in the microfinance business, except Capital SFB (local area bank) and AU SFB (retail focussed NBFC). However, all the SFBs quickly scaled up their activities and built up large customer bases. Jana SFB commenced operations as a small finance bank from March 28, 2018. While Jana's main focus once becoming an SFB was on microfinance loans, its more recent focus has been on expanding its secured loan book, in particular for the non-microfinance loans, including affordable housing loans, secured business loan, gold loans, MSME loans, and two-wheeler loans. As a result, the proportion of Jana SFB's gross secured advances has increased from 55.36% as at September 30, 2022 to 57.42% as at September 30, 2023. Microfinance loans continue to remain the mainstay of Jana SFB, accounting for around 42.4% of its portfolio as September 30, 2023, with the balance being constituted by secured advances such as MSME loans (15%), loan to NBFCs (6.5%), gold loans (1.3%) and others (19.4%).

Profitability of players (Fiscal 2023)

Players	Yield on advances (%)	NIMs (%)	Cost of borrowing (%)	Opex (%)	Cost to income (%)	Credit cost (%)	RoE (%)	Post tax-RoA (%)
AU SFB	13.1%	5.6%	5.6%	4.3%	63.0%	0.2%	15.5%	1.8%
Equitas SFB	16.7%	8.2%	6.5%	6.6%	63.4%	1.8%	12.6%	1.9%
Ujjivan SFB	19.7%	9.5%	6.1%	6.3%	54.8%	0.1%	31.8%	3.9%
ESAF SFB	19.8%	9.7%	6.0%	6.5%	57.9%	3.8%	19.4%	1.6%
Jana SFB	**20.0%**	**7.2%**	**7.0%**	**5.6%**	**56.2%**	**4.8%**	**16.8%**	**1.1%**
Utkarsh SFB	19.6%	9.6%	6.8%	5.8%	54.2%	3.2%	22.8%	2.4%
Fincare SFB	21.0%	9.3%	6.5%	7.5%	66.4%	4.1%	8.3%	0.9%
Suryoday SFB	19.0%	8.3%	6.1%	5.6%	60.0%	4.4%	15.0%	2.2%

Source: Company's Annual Reports and Presentations, FSIAPL Analysis

Profitability of players (as at September 30, 2023)

Players	Yield on advances (%)	NIMs (%)	Cost of borrowing (%)	Opex (%)	Cost to income (%)	Credit cost (%)	RoE (%)	Post tax-RoA (%)
AU SFB	13.4%	5.6%	6.6%	4.4%	63.1%	0.5%	13.9%	1.7%
Equitas SFB	17.3%	8.0%	9.5%	6.4%	65.5%	0.9%	14.6%	1.0%
Ujjivan SFB	20.7%	9.0%	7.3%	5.8%	53.0%	0.6%	29.0%	1.9%
ESAF SFB	23.3%	11.2%	7.1%	7.2%	56.4%	3.2%	15.8%	1.3%
Jana SFB	**17.5%**	**8.0%**	**7.4%**	**5.9%**	**58.5%**	**3.6%**	**19.6%**	**1.6%**
Utkarsh SFB	19.5%	8.9%	7.7%	6.2%	51.7%	2.4%	19.3%	1.0%
Fincare SFB	22.6%	11.0%	NA	8.0%	60.8%	1.3%	16.2%	-0.3%
Suryoday SFB	20.3%	9.7%	7.2%	6.5%	56.7%	2.5%	12.2%	2.0%
Capital SFB	11.0%	4.1%	6.9%	3.0%	62.3%	0.1%	8.1%	0.6%

Source: Company's Quarterly Financial Statements, Investor Presentations, FSIAPL Analysis

For Fiscal 2023, among the compared SFBs, Jana SFB ranked second highest in yield on advances at 20.0%, second lowest in Opex ratio at 5.6%, third lowest in Cost to Income ratio at 56.2% and fourth highest in Return on Equity (RoE) at 16.8%, with Fincare SFB having the highest yield on advances at 21.0%, AU SFB having the lowest Opex ratio at 4.3%, Utkarsh SFB having the lowest Cost to Income ratio at 54.2% and Ujjivan SFB having the highest RoE at 31.8%.

As at September 30, 2023, among the compared SFBs, Jana SFB ranked sixth highest in yield on advances at 17.5%, fourth lowest in Opex ratio at 5.9%, fifth lowest in Cost to Income ratio at 58.5% and second highest in Return on Equity (RoE) at 19.6%, with ESAF SFB having the highest yield on advances at 23.3%, Capital SFB having the lowest Opex ratio at 3.0%, Utkarsh SFB having the lowest Cost to Income ratio at 51.7% and Ujjivan SFB having the highest RoE at 29.0%.

Asset quality and liquidity ratios (as at March 31, 2023)

Players	Provision Coverage Ratio	Liquidity Coverage Ratio	GNPA	NNPA
AU SFB	75.0%	128.0%	1.66%	0.42%
Equitas SFB	56.9%	181.0%	2.76%	1.14%
Ujjivan SFB	98.0%	180.0%	2.88%	0.04%
Jana SFB	**34.0%**	**510.5%**	**3.94%**	**2.64%**
Utkarsh SFB	88.3%	186.4%	3.23%	0.39%
ESAF SFB	57.0%	133.0%	2.49%	1.13%
Fincare SFB	91.5%	187.0%	3.25%	1.30%
Suryoday SFB	51.5%	130.0%	3.13%	1.50%

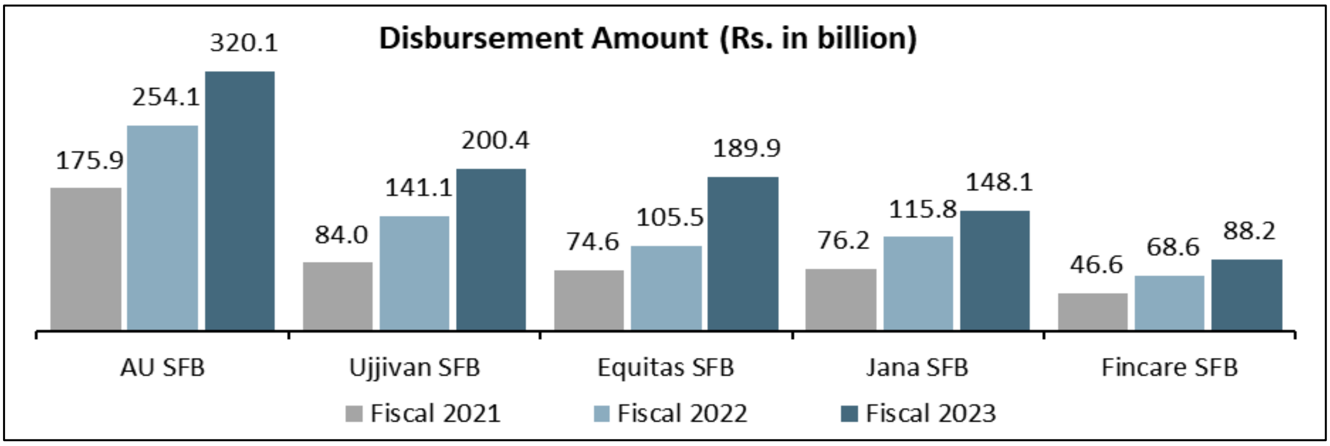
Source: Company's Annual Reports
Note: Percentages are as at March 31, 2023

Asset quality and liquidity ratios (as at and for the half year ended September 30, 2023)

Players	Provision Coverage Ratio	Liquidity Coverage Ratio	GNPA	NNPA
AU SFB	69.1%	125.0%	1.91%	0.60%
Equitas SFB	57.7%	182.2%	2.27%	0.97%
Ujjivan SFB	96.3%	158.0%	2.35%	0.09%
Jana SFB	**64.9%**	**555.9%**	**2.44%**	**0.87%**
Utkarsh SFB	94.6%	157.0%	2.81%	0.15%
ESAF SFB	55.5%	NA	2.64%	1.27%
Fincare SFB	52.0%	NA	1.59%	0.77%
Capital SFB	51.0%	NA	2.73%	1.36%
Suryoday SFB	50.5%	141.0%	2.90%	1.46%

Source: Company's Quarterly Financial Statements, Investor Presentations
Note: Percentages are as at September 30, 2023

Disbursements of leading SFBs (Fiscals 2021 – 2023)



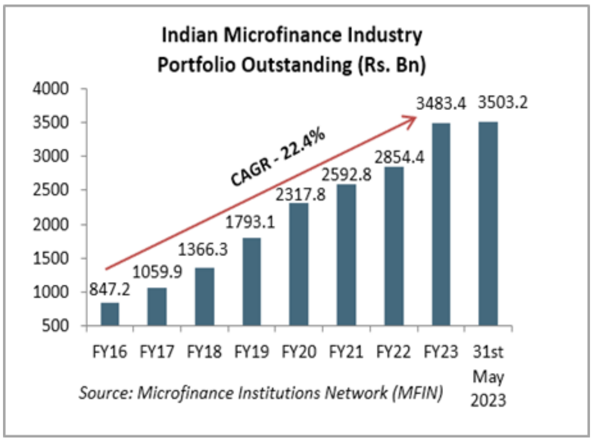
Source: Company's Investor Presentation
Note: Numbers are as at March 31, 2021, 2022 and 2023

Disbursement has picked up as economic activity is improving in India. SFBs are continuing disbursements mostly in the form of repeat loans, following robust lending policies. As per the graph above, disbursement has picked up and increased substantially in Fiscal 2023 as compared to Fiscal 2022.

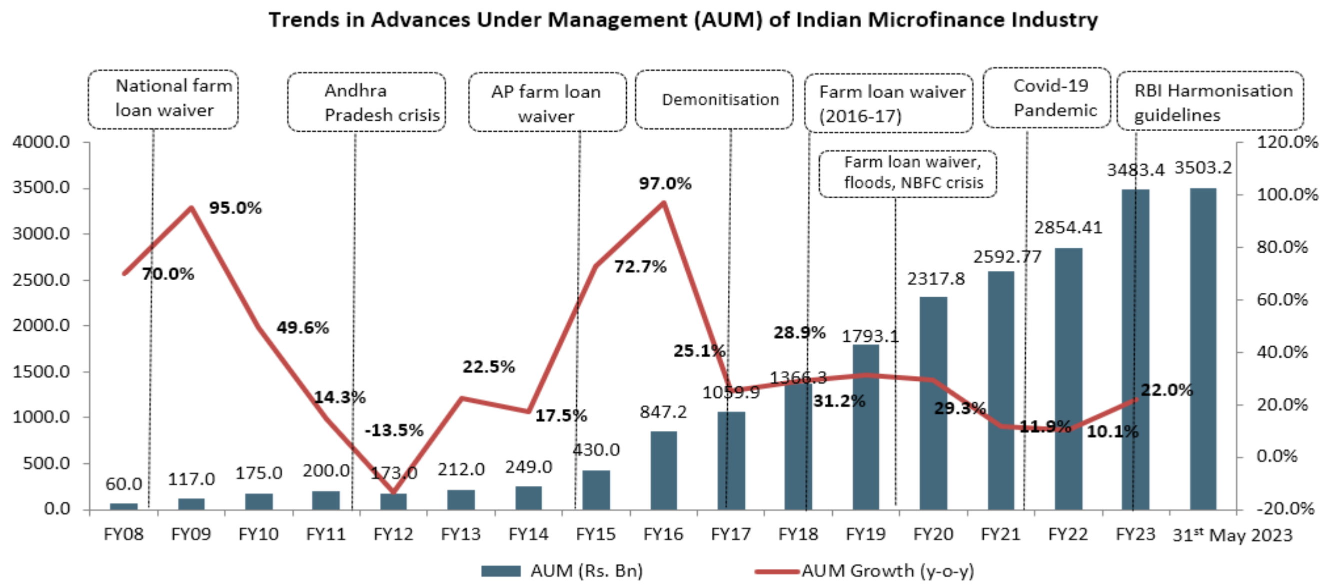
Microfinance Industry

Market size of the Indian microfinance industry

The microfinance industry in India consists of multiple players with diverse organizational structures. Loans in this sector are provided by banks, small finance banks (SFBs), Non-banking financial company-microfinance institutions (NBFC-MFIs), other NBFCs and Non-profit organizations. According to the Microfinance Institution Network (MFIN), MFIs operated in 27 states and 5 Union Territories of India as at May 31, 2023. The sector served 70 million unique borrowers through 132 million loan accounts. The industry Advances Under Management (AUM), which is gross advances plus off-balance sheet advances, has grown at a CAGR of 22.4% from Rs. 847.2 billion in Fiscal 2016 to reach Rs. 3,483.4 billion in Fiscal 2023. The industry AUM, which is gross advances plus off-balance sheet advances, reached Rs. 3,503.2 billion as at May 31, 2023.



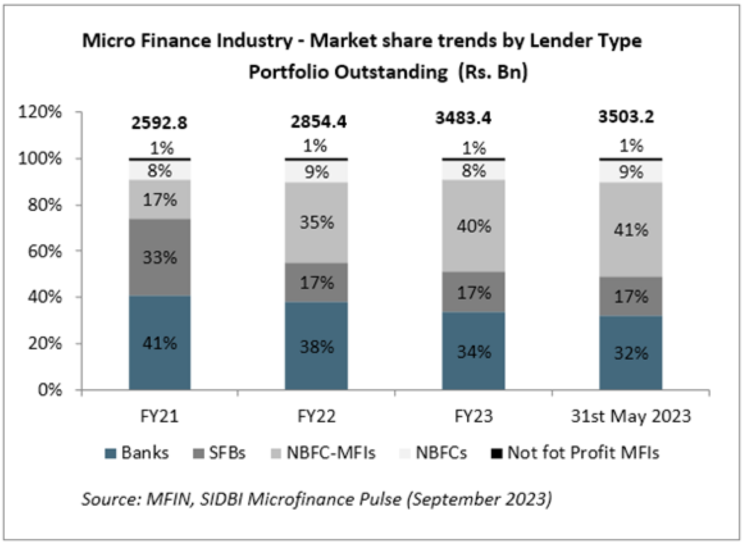
Trends in Advances Under Management (AUM) of Indian Microfinance Industry



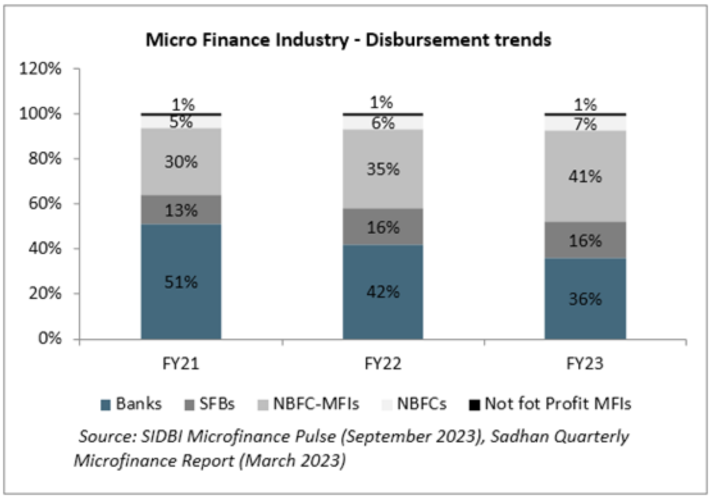
Source: Microfinance Institutions Network (MFIN), FSIAPL
Note: Data includes values of banks, NBFCs, NBFC-MFIs, non-profit MFIs and SFBs

Trends in the Indian Microfinance Industry

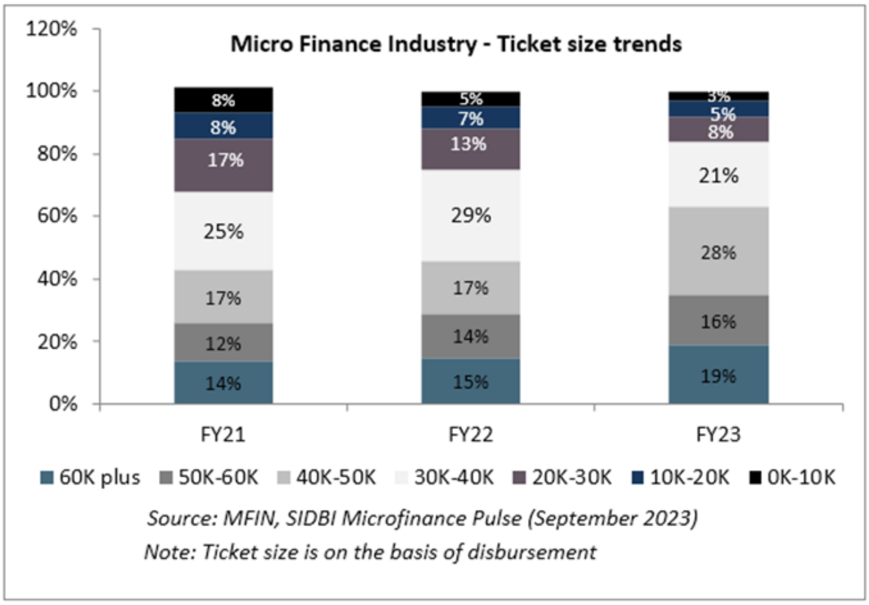
The graph below depicts the lending behaviour by various institutions in the micro credit universe.



The outstanding amount of loans extended to microfinance borrowers increased from Rs. 2,592.8 billion as at March 31, 2021 to reach Rs. 3,503.2 billion as at May 31, 2023. Banks and NBFC-MFIs hold a major chunk of the microfinance portfolio, with a combined share of 73% as at May 31, 2023. The share of banks, which was a dominant player, has decreased from 41% of the total loan portfolio as at March 31, 2021 to reach 32% as at May 31, 2023. The share of NBFC-MFIs has substantially increased from 17% of the total loan portfolio as at March 31, 2021 to reach 41% as at May 31, 2023. Microfinance disbursement trends depicted in the graph below show that banks have lost their share since FY22 and reached 36% as at March 31, 2023, while NBFC-MFIs with 41% share held the pole position as at March 31, 2023.



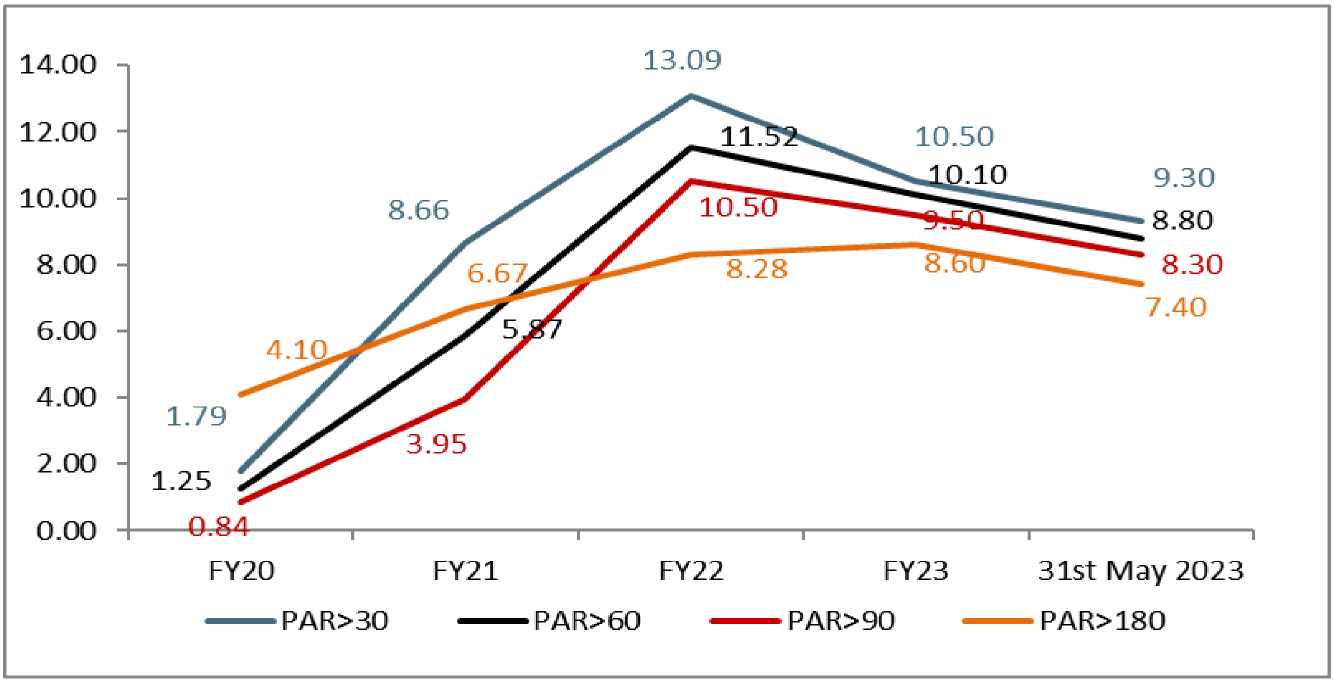
While analysing the overall microfinance ticket size trends, FSIAPL noticed that there is a gradual shift from demand of Rs. 20,000- Rs. 30,000 ticket size loans to higher ticket size loans by customers. The national average ticket size of microfinance loans has been steadily increasing. It is at Rs. 43,616 as at March 31, 2023. Microlenders are focusing more on growing their loan book size by offering a higher quantum of loans to the same borrowers. In the coming years, MFI players can tap the under penetrated states offering lower ticket size loans. The Rs. 30,000- Rs. 40,000 ticket size bracket and Rs. 40,000- Rs. 50,000 ticket size brackets are expected to be the major contributors to the overall microfinance portfolio in the coming years.



Asset quality of the Microfinance Industry

The asset quality of the industry deteriorated quite sharply in 2021, reflecting the adverse impact of COVID-19 on the industry. The graph below shows that PAR>30 had increased from 1.79% as at March 31, 2020 to reach 13.09% as at March 31, 2022. Overall PAR>30 of the Microfinance Industry decreased from 13.09% as at March 31, 2022 to 9.30% as at May 31, 2023. As at May 31, 2023, PAR>30 ratio was highest for Banks at 12.5% while it was 11.4% for small finance banks and 6.9% for NBFC-MFIs. The ratio was 4.3% for other non-bank lenders and 6.6% for not-for-profit lenders.

Yearly PAR trends of Microfinance Industry (%)



Source: Microfinance Institutions Network (MFIN)

Limited slippages are expected for the fiscal year 2024 as majority of the COVID-related stressed book (including restructured) has already slipped by first half of fiscal year 2023 and the bulk of the portfolio now constitutes post COVID-19 disbursements. Normalised delinquencies (overdue portfolio) is expected to be in the range of 2%-4% with a median of around 3% for fiscal year 2024 in the absence of any negative event playing out.

Trend in collection efficiency of the MFI sector

Credit discipline was impacted by disruption to MFI operations in April 2020 because of the nationwide lockdown due to COVID-19. Although MFIs have moved towards cashless disbursements over the years, loan collections are still cash intensive and are therefore prone to disruptions in collection infrastructure.

The collection efficiency for the microfinance industry first fell to 83% in March 2020 and then moved sharply to a low of 3% in April 2020 before recovering to 21% in May 2020 and 58% in June 2020. The sector has shown signs of recovery from June 2020. States such as Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Gujarat, Rajasthan and Tamil Nadu behaved quite well in terms of collection efficiency, with some states, such as Punjab, Haryana, Rajasthan and Gujarat inching closer towards 90% in terms of collections. The eastern and north-eastern regions have been affected by floods and manpower reverse migration, which has impacted the income levels.

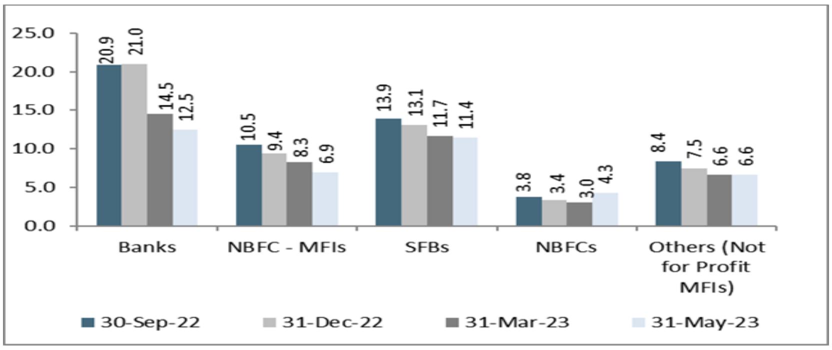
Collection efficiency of Micro Finance Industry	
Dec-20	90-93%
Mar-21	87-90%
Apr-21	85-88%
May-21	70-80%
Dec-21	85-88%
Mar-22	95-98%
Dec-22	96-99%
Mar-23	97-99%

Source: MFIN, FSIAPL

Asset quality of microfinance players

PAR>30 days: PAR>30 days for all the microfinance players as per MFIN is depicted in the graph below. PAR>30 for all players decreased as at May 31, 2023 except for NBFCs. As at May 31, 2023, PAR>30 ratio was highest for banks at 12.5% while it was at 11.4% for small finance banks, 6.9% for NBFC-MFIs, 4.3% for other non-bank lenders and 6.6% for not-for-profit lenders.

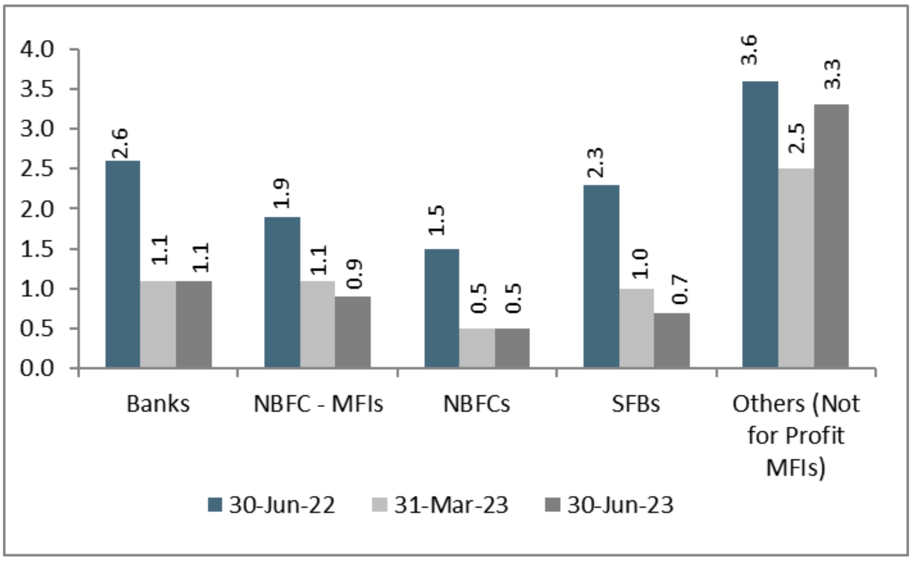
PAR>30 days trends of key microfinance players (%)



Source: MFIN Micrometer – Q1FY24, FSIAPL

PAR>90 days: PAR>90 days for the microfinance players is not shared in the MFIN Micrometer of March 2023. Hence, the data is sourced from the CRIF Highmark. The latest data in CRIF Highmark is available as of June 30, 2023. PAR>90 in June 2023 of all the microfinance players decreased from June 2022 levels. PAR>90 of Not for profit MFIs was highest at 3.3% as at June 30, 2023. PAR>90 of Banks decreased from 2.6% as of June 20, 2022 to 1.1% as of June 30, 2023 signifying recovery of portfolio health. PAR>90 of NBFC-MFIs decreased from 1.9% as of June 20, 2022 to 0.9 % as of June 30, 2023.

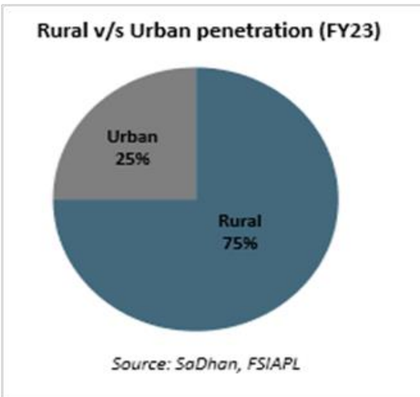
PAR>90 days trends of key microfinance players (%)



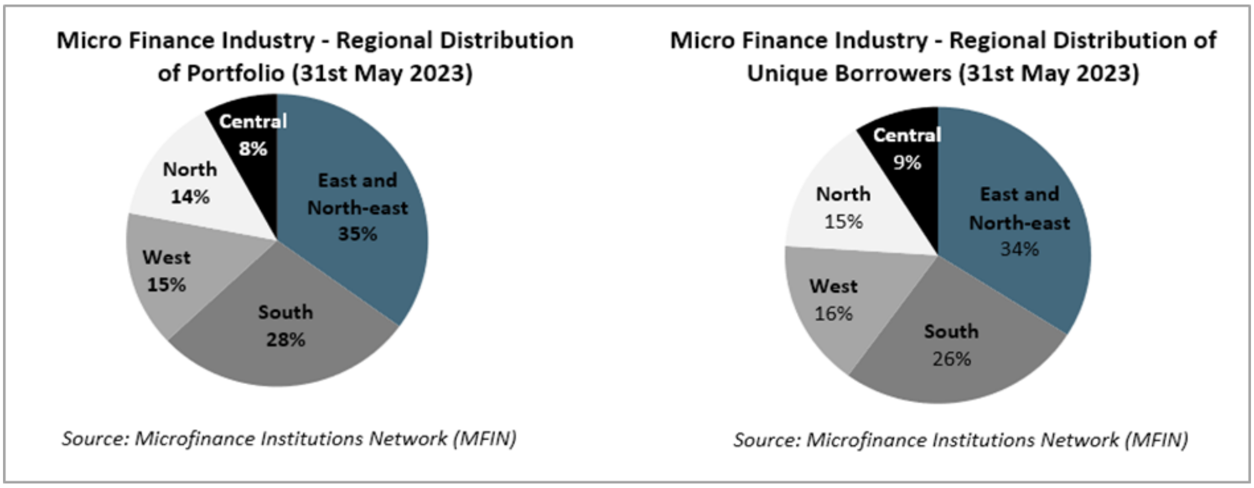
Source: CRIF Highmark, FSIAPL

Rural versus urban penetration

As per Q4FY23 Quarterly MF Report released by Sa-Dhan (Self-Regulatory Organization (SRO) for Microfinance Institutions), rural regions constitutes 75% whereas the share of urban areas is 25%.

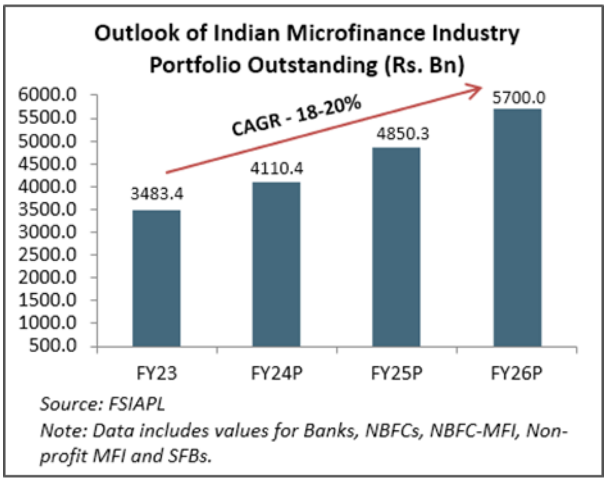


Penetration of Microfinance in India



Five-year growth outlook of the Indian Microfinance Industry

The microfinance sector is undergoing a multitude of changes amidst growing competition, rising expectations of masses, technological advancements and an evolving regulatory landscape. As per FSIAPL, the sector is expected to widen the horizon beyond micro credit to transform the livelihoods of the unbanked regions. FSIAPL expects the Indian microfinance industry to grow at a CAGR of 18-20% from Rs. 3,483.4 billion as at March 31, 2023 to reach Rs. 5,700.0 billion as at March 31, 2026 (projected).



Key trends fostering growth of MFI sector

Players tapping newer states and districts to widen client base: A regional analysis of microfinance spread across the country has revealed a higher concentration in the southern states for the past few years. Most of the microfinance players are now reluctant to have portfolios concentrated in particular geographical regions post the Andhra Pradesh microfinance crisis, thus adopting multi-state operation models. Players are shifting focus from highly penetrated states like Andhra Pradesh, West Bengal and Tamil Nadu, and are exploring few regions in Northern and Central India.

Increase in Average Ticket Size: The average ticket size of MFIs increased to Rs. 43,607 as at March 31, 2023 from Rs. 35,474 as at March 31, 2020.

In the coming years, while states like Tamil Nadu, Karnataka and Odisha are likely to see high penetration levels of more than 70%, a majority of states in India, including key states in the northern and central regions such as Gujarat, Maharashtra, Rajasthan, Uttar Pradesh, etc. which possess a significant potential for MFI growth are expected to remain underpenetrated, which gives significant headroom and opportunity for MFIs to grow. Growth is expected to be faster in rural areas, where ticket sizes are relatively low and the region is still underpenetrated. SFBs should aim to increase penetration of point-of-sale terminals in smaller but cash-intensive towns and villages, aligning with the needs of the government's digital economy goals.

Outlook on profitability of the microfinance sector in the medium term

The outlook on the microfinance sector for fiscal 2024 is improving. The COVID-19 and restructured book impact on credit costs has been largely absorbed till the first half of fiscal 2023. The growth momentum will continue in fiscal 2024. The new regulations are positive for the sector and provide all microfinance practitioners with the ability to price in risks while providing a level playing field for non-bank financial companies (NBFC)-microfinance institutions (MFIs).

Players with stronger operating and capital buffers, operational abilities for faster decision making, proactiveness in scouting for right customers, better services and quality technology platform/user interface would gain the market share. FSIAPL maintains that credit costs for Fiscal 2024 will remain in the range of 1%-3% with the expectations of improved operating buffers resulting in higher profitability.

Growth Drivers of the Microfinance Industry

- **Government support:** Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched in 2014, which enabled the achievement of the objective of providing bank accounts to the adult population in almost every household. The reach of mobile phones and e-KYC (know your customer) has ensured these accounts are accessible to those who have been included in the financial services spectrum.

- **RBI efforts:** The institutionalisation of the framework of Business Correspondents (BCs) has been a major step towards enhancing access to banking services. RBI advocated a combination of a 'Brick and Mortar' structure with technology for extending financial inclusion in the geographically dispersed areas.

- **Financial Inclusion Plan:** Financial inclusion has become a focus area for banks, NBFCs, financial technology (fintech) and other financial entities. Small Finance Banks have also been set up to further financial inclusion with a client base comprising mainly of a migrant labour workforce, low-income households, small businesses and other unorganised sector entities.

- **Easy availability of credit:** To encourage more borrowing among customers and stimulate the slowing Indian economy, the RBI has increased the eligible income limit from the current level of Rs. 0.1 million per annum for rural areas to Rs. 0.3 million per annum**.**

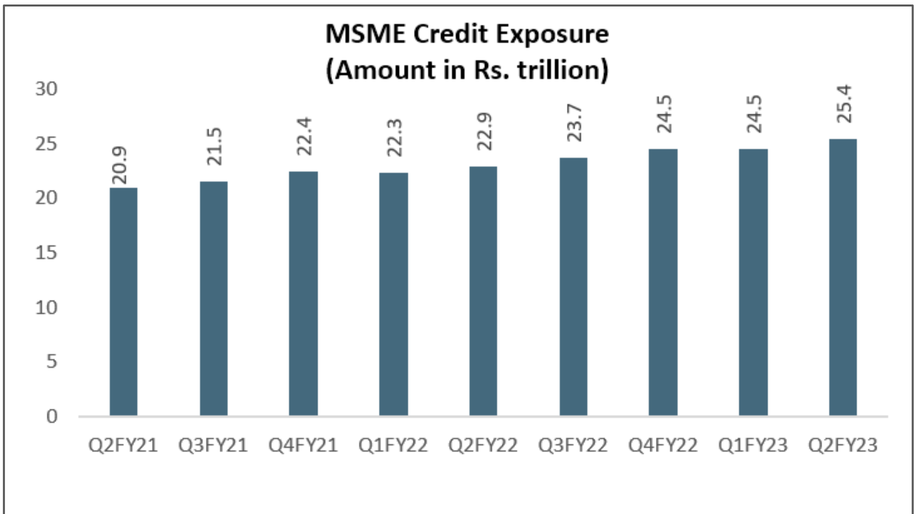
- **Increasing boost to women entrepreneurship:** Around 90% of the microfinance borrowers are women entrepreneurs and women centric SHGs.

Micro Small and Medium Enterprise

Market size of Indian MSME credit

Demand for MSME loans (measured by number of commercial credit enquiries) has picked up in the last two years and has grown to 1.7 times the pre-pandemic level. This can be attributed to an improvement in broader economic activity after the second wave of the pandemic. Further, extension of the ECLGS scheme, availability of enriched credit data and higher adoption towards digital lending has enabled more MSMEs to access credit. MSME credit disbursements have doubled compared to pre-pandemic levels across segments, indicating that lenders are in a position to support the increasing credit demand.

As per latest SIDBI – CIBIL TransUnion 'MSME Pulse Report' of March 2023, Total MSME credit exposure of formal players (banks, NBFCs and other formal lenders) is at Rs. 25.4 trillion as at September 30, 2022 reflecting a y-o-y growth rate of 10.9%.

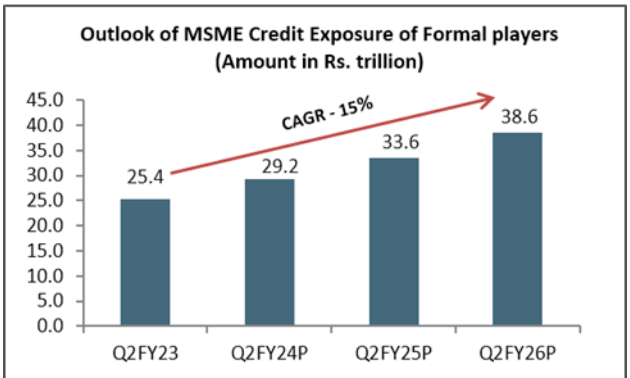


Source: SIDBI – CIBIL TransUnion 'MSME Pulse Report' of March 2023

This credit growth is observed across all sub-segments of MSME lending. Balances for micro grew at 13% y-o-y, whereas the small and medium segment books grew at 10% and 8%, respectively.

Industry growth and outlook of the MSME credit growth in India

Given that MSMEs' role in the Atmanirbhar Bharat initiative and the flow-through impact of schemes such as the Productivity Linked Incentive (PLI) scheme should sustain credit demand, FSIAPL estimates the total MSME credit exposure of formal players (banks, NBFCs, Small finance banks, and other formal lenders) to increase at a CAGR of 15% from Rs. 25.4 trillion as at September 30, 2022 to reach Rs. 38.6 trillion as at September 30, 2026.



Source: SIDBI – CIBIL TransUnion 'MSME Pulse Report' of March 2023,FSIAPL

Growth Drivers of the Indian MSME Market

Make in India initiative is a boost to MSME sector: The key objective of the Make in India initiative is to reduce imports and make India self-reliant. This is a huge growth potential for the MSME segment.

Digitisation to foster growth: Digitisation has already created an excess of data points for lenders that would help improve the efficacy of credit assessment and gradually enable provision of credit to previously underserved customer segments.

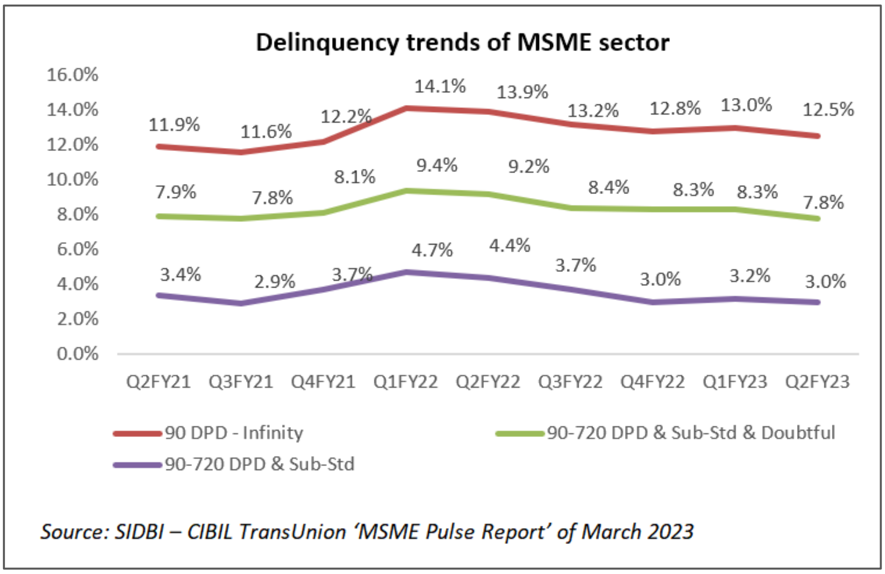
Great export potential of MSME segment: Exports from the small-scale sector over a period of time have acquired great significance in India's foreign trade. Export promotion from the small-scale sector has been accorded a high priority in India's export promotion strategy.

E-Commerce is a key enabler for MSME products: The share of e-commerce in total retail has been growing consistently across the world. E-commerce could provide Indian MSMEs an opportunity to attract consumers and organizations from India and across the globe.

Government support: The Government of India announced the 'Atmanirbhar' stimulus package in 2020 to reboot India's micro, small and medium enterprises (MSMEs) sector, which was recently reclassified on the basis of turnover and investment.

MSME segment asset quality

As per latest SIDBI – CIBIL TransUnion 'MSME Pulse Report' of March 2023, historically, we have seen NPA rates (90+DPD) of 12.5%, which is very high given the legacy DPD (Days past due) accounts that continue to show MSME as a high-risk business. Considering the book, as per new definition (i.e., excluding Doubtful, Loss and 720+ DPD accounts), the delinquency rates of MSME sector are as low as 3.0% for Q2FY23 i.e. September 30, 2022. The delinquency rates were 4.4% at the same time last year, showing a constant decline thereon.



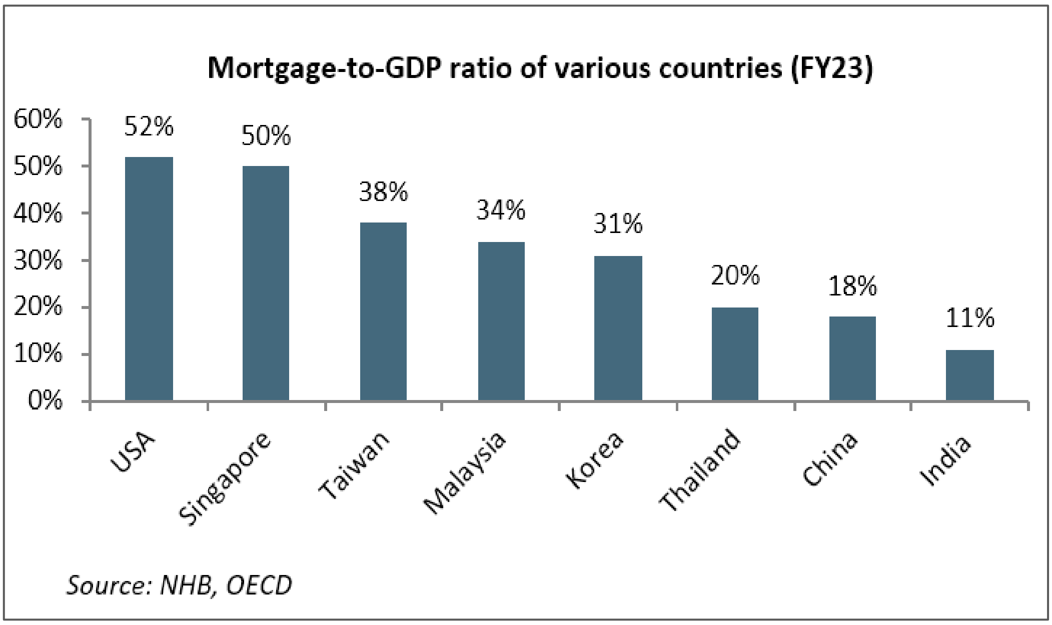
Affordable Housing Finance

Significant Housing Shortage in lndia

The Indian housing market has experienced a skewed demand–supply management. The latest data of rural housing shortage as of 2023 is not available. In 2011, The Working Group on Rural Housing estimated that the shortage of housing in rural India was about 43.7 million housing units in 2012.

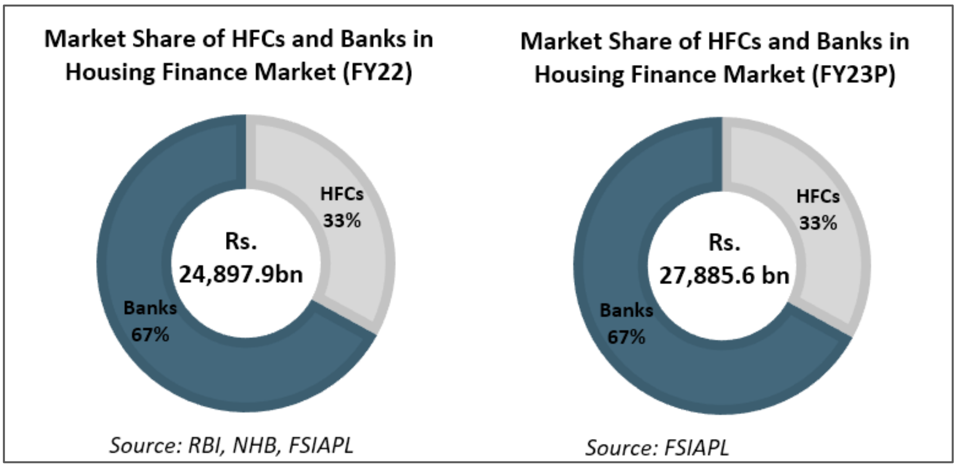
Mortgage-to-GDP ratio is low in India compared with other countries

India has a low mortgage-to-GDP ratio, compared even to peer developing countries. India's mortgage-to-GDP ratio is at 11% as at March 31, 2023, compared to 18% in China, 20% in Thailand, 31% in Korea, 34% in Malaysia, 38% in Taiwan, 50% in Singapore and 52% in USA as at that date. It is expected to improve to 12-14% by Fiscal 2025 as per the Organisation for Economic Co-operation and Development (OECD).



Market Size of Housing Finance in India

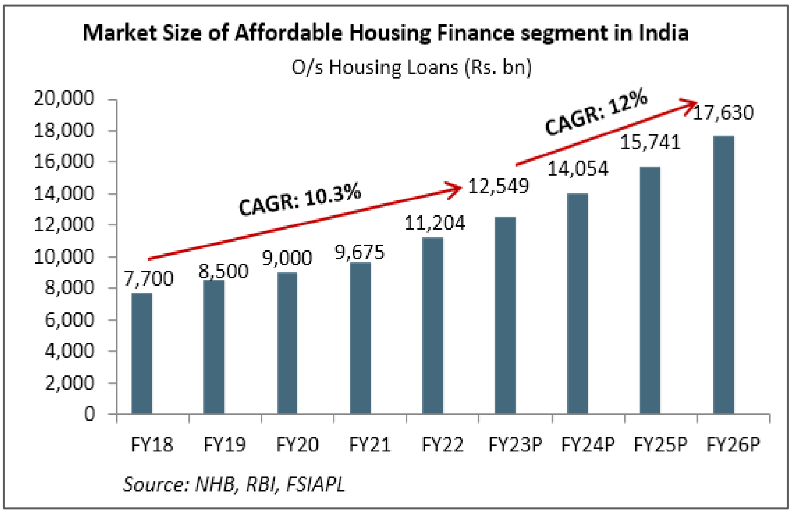
Within the housing finance market in India, the Housing Finance Companies (HFCs) and banks collectively constitute the majority share. The share of HFCs in the individual housing loans market decreased from 38% as at March 31, 2018 to 33% as at March 31, 2023, while that of scheduled commercial banks increased from 62% as at March 31, 2018 to 67% as at March 31, 2023.



Market Size of Affordable Housing Finance in India

As per the RBI incentive measures, the cost of affordable residential property should be less than Rs. 6.5 million in metro cities and Rs. 5.0 million in non-metros. Responding to policy efforts, affordable housing is currently driving home loan growth in India.

FSIAPL estimates the affordable housing finance segment to be at Rs. 12,549.0 billion (45% of the total outstanding individual housing loans as at March 31, 2023).



Factors contributing to high competitiveness of SFBs in affordable housing finance:

Availability of funds at cheaper rates

The ability to accept deposits through Current account savings accounts (CASA) and other retail deposits would provide SFBs a cheap source of funding which would help them compete with HFCs.

Target audience

SFBs aim to cater to the low-income segment and have an opportunity to offer them various products and services.

Technology aid and better availability of information

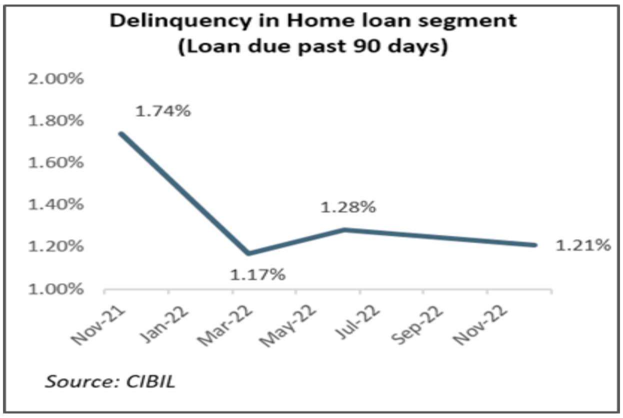
Increase in the use of technology has enabled lenders to provide customized product offerings to their target customer segments at much lower turnaround times.

Collection efficiency

SFBs have a strong focus on collections and monitoring risk of default at the customer level.

Asset Quality of Housing Finance in India

Home loans have among the lowest NPA levels of all classes of loans.



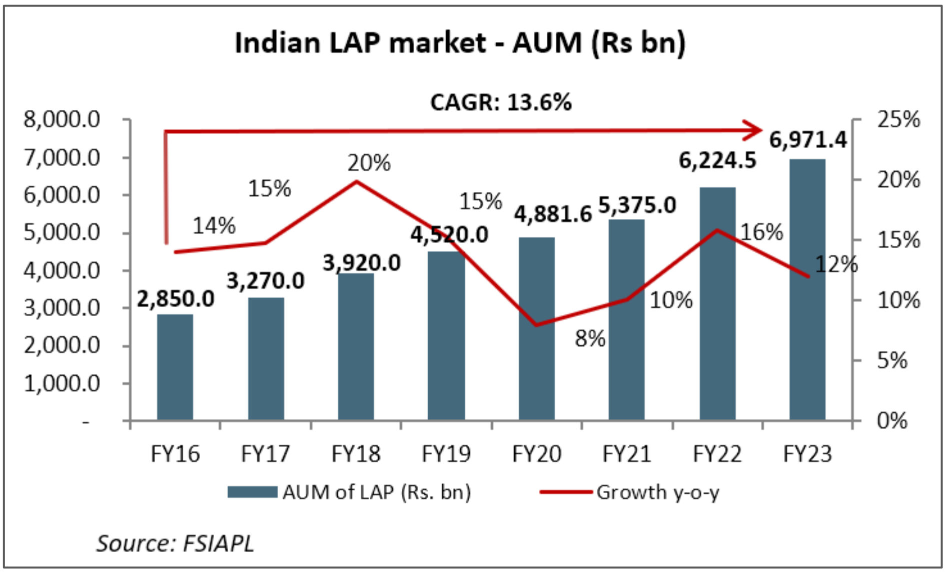
Outlook for Housing and Housing Finance in India

The strong tailwinds seen by the housing finance segment during the COVID-19 pandemic i.e. lower interest rates, stagnant property prices, increased sense of home ownership and continued higher-than-inflation wage growth are moderating. However, the need for a bigger housing space during the pandemic bodes well for financers to drive the overall AUM growth higher, despite high competition from banks. Affordable housing financiers would witness continuing strong loan growth, largely due to increasing geographic penetration, an increase in ticket size (value) along with additions in customer base due to the increasing sense of home ownership.

Loan Against Property

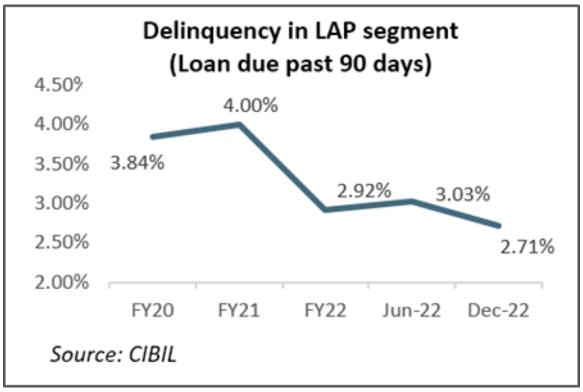
Loan Against Property (LAP) – Market Size in India

LAP growth between Fiscals 2016 to 2019 was driven by rising penetration of formal channels and higher comfort for lenders to lend. Lending against LAP saw moderation during the pandemic, as property prices where stagnating along with a moderation in the availability of additional collateral to offer lenders. However, post pandemic, there has been a rise in property prices, which revived the market with additional top-up loans being offered to existing borrowers, supporting their working capital borrowing needs with an expansion in economic activity.



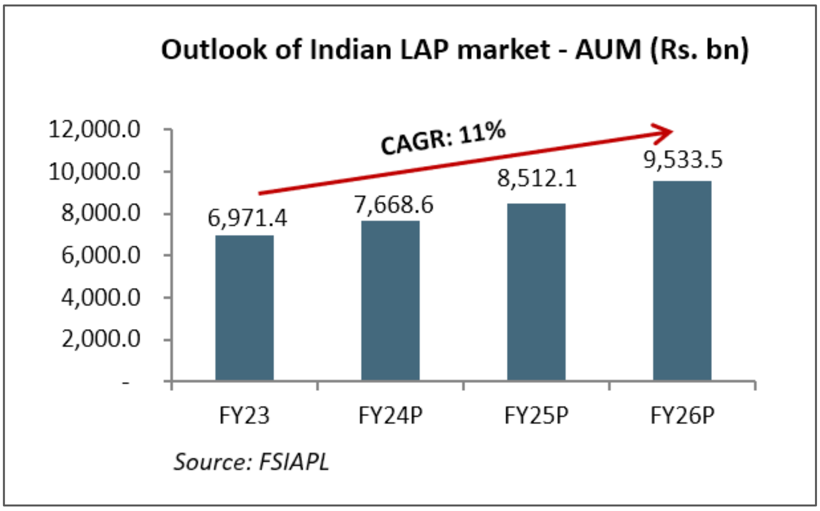
Asset Quality Trends in LAP industry

The industry had the highest delinquency of 4.00% as at March 31, 2021 as job losses due to COVID-19 had crimped incomes. The delinquency in the sector declined to 2.92% as at March 31, 2022. The CIBIL 'Credit Market Indicator of April 2023' states that the delinquency in LAP segment slightly increased to 3.03% as at June 30, 2022 and later decreased to 2.71% as at December 31, 2022.



Outlook of the LAP market in India

FSIAPL expects the LAP market to grow at 11% from Rs. 6,971.4 billion as at March 31, 2023 to Rs. 9,533.5 billion as at March 31, 2026.



Key risk factors of Indian LAP market

- **Delinquency of LAP segment is highest among other products:** As compared to other personal loan segments like auto loan, two-wheeler (2W) loan, and consumer durable loan, the delinquency of LAP segment was highest at 4.0% as at March 31, 2021 due to job losses as COVID-19 had crimped incomes of many customers.

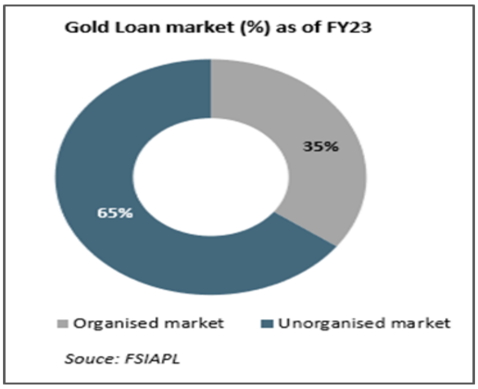
- **Increasing acceptance of non-residential properties as collateral may impact liquidation recovery:** Non-residential properties (including industrial, commercial, freehold land, unoccupied residential property, among others) are increasingly being accepted as collateral by financial institutions.

- **Valuation practices are non-standardised:** In a majority of cases, property valuation is outsourced to third-party valuation companies. The methodologies followed are not standardised yet. The illiquid nature of the real estate market also makes monitoring the prices of collaterals, on an on-going basis, a challenging and costly affair and price movement data can come with a significant lag.

- **Stagnating collateral values creating refinancing pressure:** Industry research suggests that over the last few years, portfolio churn among NBFCs has been the significant driver of incremental loan growth, with balance transfer driving the higher amount of borrowings.

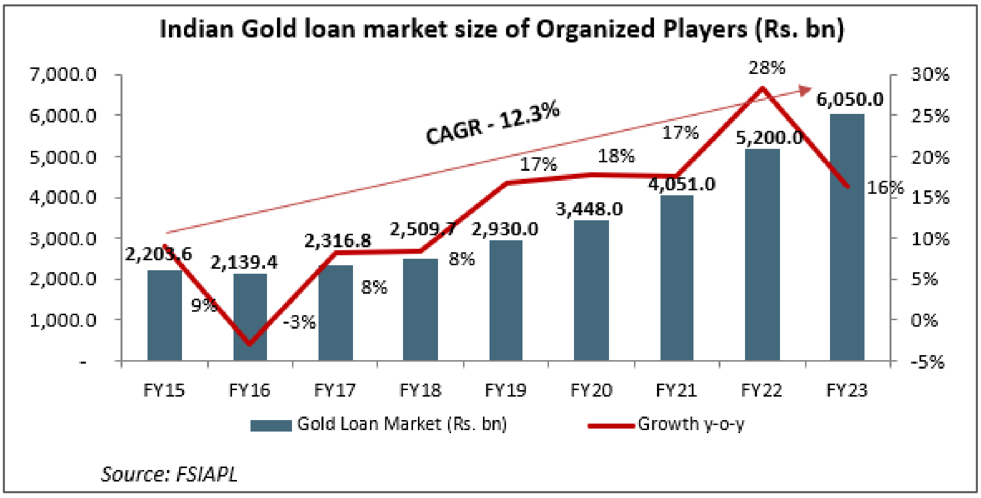
Gold Loans

Gold Loan – Market Size in India



Growth in Gold Loans Market of Organized Players

As per the World Gold Council (WGC), the organized gold loan industry was around 35.0% and the unorganized industry was around 65.0% of the total market as at March 31, 2023. The total gold loan industry's AUM of organized players grew at a CAGR of 12.3% from Rs. 2,203.6 billion as at March 31, 2015 to Rs. 6,050.0 billion as at March 31, 2023.



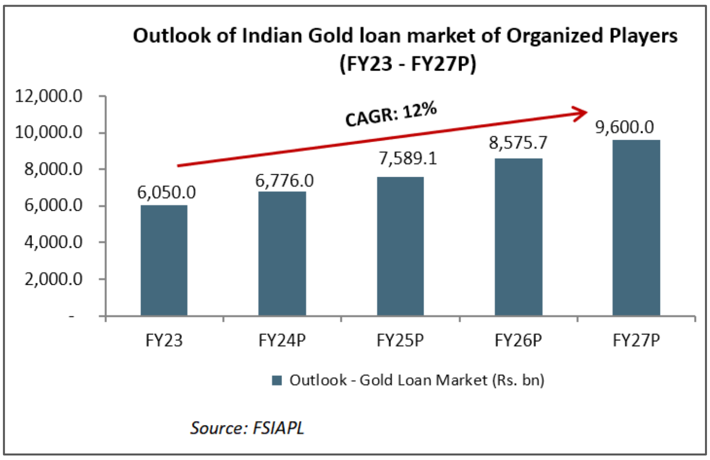
The gold loan industry's AUM of organised players grew to reach Rs. 4,051.0 billion as at March 31, 2021 from Rs. 3,448.0 billion as at March 31, 2020 due to increasing financial emergencies arising out of COVID-19. The gold loan industry continued the momentum and AUM crossed the Rs. 5,000.0 billion mark in Fiscal 2022 and reached Rs. 6,050 billion in Fiscal 2023.

Key Growth Drivers for Gold Loans in India

- **Lack of Reach of Banking to Rural and Lower-Income Groups:** In India, the reach of NBFCs in rural areas is comparatively higher than that of banks, due to which NBFCs have an advantage in terms of business revenue and a larger base of customer over banks.
- **Expected Revival in Rural Consumption:** Consumption growth in rural India had outpaced urban spending by the widest margin in the last decade, encouraged by relatively good rainfall and an increase in government spending on infrastructure.
- **Changing Attitudes Towards Gold Loans:** A few decades back, gold loans were a high-cost affair, where interest charged was around 35-50% (via local moneylenders), but now, organized players in the market (banks and NBFCs) offer gold loans at 12-20% per annum. The overall process to avail gold loans has become more formal and transparent with the entry of organized financial players. Further, gold is a secured asset and there is no requirement for any additional collateral.
- **Ease of Availability of Gold Loans:** Financial Institutions offer very competitive gold loan schemes with a wide **range** of tenures, interest slabs and repayment options, making it very attractive for the customer. The ability to choose product features (repayment scheme, tenure) has facilitated increased gold loan penetration.
- **Development of online gold loan market:** Many new age fintech companies and traditional players have started to offer innovative products such as online gold loans catering to the young and urban population.

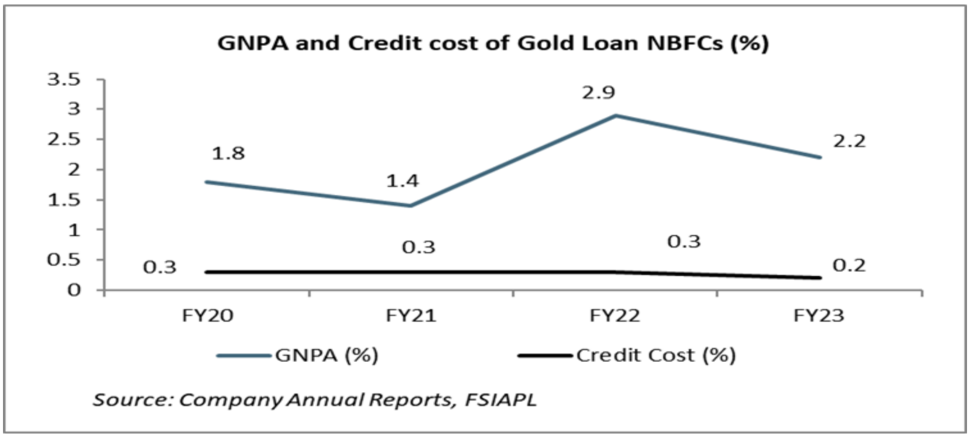
Outlook of the Gold Loan Market of Organized Players in India

As per FSIAPL estimates, credit demand is expected to rise, and the gold loan industry is expected to grow over the next few years at a CAGR of 12% from Rs. 6,050.0 billion in Fiscal 2023 to Rs. 9,600.0 billion in Fiscal 2027, which would be driven by gold prices, gold loan NBFCs moving into non-southern Indian territories, improving penetration, improving product awareness and building brand identity. Gold loan industry's AUM (asset under management) projection from Fiscal 2023 to Fiscal 2027 is provided below:



Asset Quality of Indian Gold Loan players

As shown in the chart below, loss given default on gold loans is generally small, as the loan is fully secured, and the collateral is highly liquid.



Note: As of the end of the fiscal years.

OUR BUSINESS

To obtain a complete understanding of our Bank, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview", "Selected Statistical Information", "Financial Statements" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 37, 215, 371, 388 and 463, respectively.

This Prospectus contains certain forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For details, see "Forward-Looking Statements" on page 35.

Unless otherwise indicated, industry and market data used in this section have been derived from Fitch Report, which was prepared by Fitch Solutions. We commissioned Fitch Solutions to prepare the Fitch Report specifically for the purpose of the Offer for an agreed fee pursuant to the engagement letter dated June 19, 2023 and an addendum dated November 16, 2023. A copy of the Fitch Report will be available on our Bank's website at https://www.janabank.com/about-us/disclosures/#industry-report from the date of this Prospectus until the Bid/Offer Closing Date.

Certain Non-GAAP Financial Measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Prospectus. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. Such non- financial GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These Non-GAAP Financial Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to Non-GAAP Financial Measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere.

Overview

We are the fourth largest Small Finance Bank in terms of AUM and the fourth largest Small Finance Bank in terms of deposit size as at September 30, 2023. (*Source: Fitch Report*). As at September 30, 2023, we had 771 banking outlets, including 278 banking outlets in unbanked rural centres, in 22 states and two union territories. We have served nearly 12 million customers since 2008, including 4.87 million active customers as at September 30, 2023.

We were incorporated on July 24, 2006, registered as a non-banking finance company ("**NBFC**") on March 4, 2008, and we were awarded non-banking finance company-microfinance institution ("**NBFC-MFI**") status on September 5, 2013. We started operating as a Small Finance Bank with effect from March 28, 2018 and became a Scheduled Commercial Bank on July 16, 2019. For more details on our history and our major events and milestones, see "*History and Certain Corporate Matters*" on page 334.

We have gained an understanding of the financial needs of underbanked and underserved customers over the past 16 years. During this journey, apart from obtaining an in-depth understanding of customer behaviour and requirements in the segment, we have taken multiple steps to improve the customer experience. This has been achieved through a combination of measures, such as digital sourcing and digital disbursement of loans.

Our primary secured loan products are secured business loans, micro loans against property ("**Micro LAP**"), MSME loans, affordable housing loans, term loans to NBFC, loans against fixed deposits, two-wheeler loans and gold loans. Our primary unsecured loan products are individual and micro business loans, agricultural and allied loans, and group loans (group loans are offered to a group of women as per the Joint Liability Group ("**JLG**") model). Our gross advances has increased from ₹118,389.82 million as at March 31, 2021 to ₹180,007.41 million as at March 31, 2023, representing a CAGR of 23.31%, and further increased to ₹213,471.30 million as at September 30, 2023, an increase of 18.59% . Since becoming a Small Finance Bank, we have focused on increasing our secured gross advances to diversify our advances, and within unsecured advances, we have focused on growing our agricultural and allied loans. Our gross secured advances has increased from ₹50,760.00 million as at March 31, 2021 to ₹99,047.54 million as at March 31, 2023, representing a CAGR of 39.69%, and further increased to ₹122,577.38 million as at September 30, 2023, an increase of 23.76%, and our gross advances of agricultural and allied loans has increased from ₹15,510.70 million as at March 31, 2021 to ₹30,944.43 million as at March 31, 2023, representing a CAGR of 41.25% and further increased to ₹36,141.39 million as at September 30, 2023, an increase of 16.79%. Our secured gross advances as a percentage of total gross advances has increased from 42.87% as at March 31, 2021 to 57.42% as at September

30, 2023. Our agricultural and allied loans as a percentage of our gross advances has increased from 13.10% as at March 31, 2021 to 16.93% as at September 30, 2023. The table below sets forth our gross advances by secured advances and unsecured advances (including agricultural and allied loans) and as percentage of total gross advances as at the dates indicated.

Particulars	As at September 30, 2023		As at March 31,					
			2023		2022		2021	
	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances
Secured advances	122,577.38	57.42	99,047.54	55.02	70,271.26	53.03	50,760.00	42.87
Unsecured advances:	90,893.92	42.58	80,959.87	44.98	62,231.95	46.97	67,629.82	57.13
Of which:								
Agricultural and allied loans	*36,141.39*	*16.93*	*30,944.43*	*17.19*	*18,770.00*	*14.17*	*15,510.70*	*13.10*
Total gross advances	**213,471.30**	**100**	**180,007.41**	**100.00**	**132,503.20**	**100.00**	**118,389.82**	**100.00**

We have been able to leverage the strength of the "Jana" brand to rapidly grow our deposit portfolio since we commenced operations as a Small Finance Bank in March 2018. As an NBFC-MFI, we were not permitted to accept deposits as per applicable laws in India. Our deposits have increased from ₹123,162.58 million as at March 31, 2021 to ₹163,340.16 million as at March 31, 2023, representing a CAGR of 15.16%, and further increased to ₹189,367.24 million as at September 30, 2023, an increase of 15.93%. We were among the top four Small Finance Banks in India in terms of deposit size as at September 30, 2023. (*Source: Fitch Report*). We have placed a strong emphasis on increasing our Retail Deposits (which comprises single Rupee term deposits of less than ₹20.00 million ("**Retail Term Deposits**") plus CASA), as they have lower rates of interest compared to Bulk Deposits (single Rupee term deposits of ₹20.00 million or more) and are more likely to stay deposited with us over a longer period compared to Bulk Deposits. We were amongst the top five Small Finance Banks in term of share of Retail Deposits (comprising CASA and Retail Term Deposits) as a percentage of total deposits among all Small Finance Banks as at March 31, 2023. (*Source: Fitch Report*). The following table sets forth our deposits by category of deposits and the percentage composition by each category of deposits as at the dates indicated.

Particulars	As at September 30, 2023		As at March 31,					
			2023		2022		2021	
	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits
Demand deposits [A]	9,125.89	4.82	7,123.88	4.36	7,661.51	5.66	5,787.83	4.70
Savings bank deposits [B]	29,670.13	15.67	25,885.69	15.85	22,829.22	16.86	14,276.30	11.59
CASA [C = A + B]	***38,796.02***	***20.49***	***33,009.57***	***20.21***	***30,490.73***	***22.52***	***20,064.13***	***16.29***
Term deposits	150,571.22	79.51	130,330.59	79.79	104,874.19	77.48	103,098.45	83.71
Of which:								
Retail Term Deposits [D]	*88,479.10*	*46.72*	*81,681.36*	*50.01*	*72,191.41*	*53.33*	*70,461.29*	*57.21*
Bulk Deposits	*62,092.12*	*32.79*	*48,469.23*	*29.78*	*32,682.78*	*24.14*	*32,637.16*	*26.50*
Retail Deposits [E = C + D]	***127,275.12***	***67.21***	***114,690.93***	***70.22***	***102,682.14***	***75.86***	***90,525.42***	***73.50***
Total deposits	**189,367.24**	**100.00**	**163,340.16**	**100.00**	**135,364.92**	**100.00**	**123,162.58**	**100.00**

Our access to a diversified Retail Deposit base has helped to decrease our Cost of Funds from 8.61% for Fiscal 2021 to 7.55%

for the half year ended September 30, 2023. The table below sets forth our Cost of Funds for the periods and years indicated.

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
Cost of Funds[(1) (*)] (%)	7.55%	6.74%	7.02%	7.37%	8.61%

Note:

1. *Cost of Funds is the ratio of interest expended to Average Total Interest-Bearing Liabilities ("**Cost of Funds**"). Average Total Interest-Bearing Liabilities are total interest-bearing liabilities calculated on basis of the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year ("**Average Total Interest-Bearing Liabilities**").*

* *Non-GAAP Financial Measure.*

We are also a corporate agent for third-party life insurance products, general (non-life) insurance products and health insurance products, including COVID-19 insurance products. We also offer Point of Sales ("**POS**") terminals and payment gateway services through our merchant acquiring partners.

In addition to delivering our products and services through banking outlets and ATMs, we deliver our products and services through business correspondents, ATM cum debit cards, mobile banking platforms, internet banking portals and SMS alerts.

In line with our vision, we have been upgrading our technology platforms. A significant proportion of our sourcing and collections across assets and liabilities are digitalised using mobile phones / tablets, with an emphasis on straight through processing while incorporating fraud and regulatory checks. PAN validation, e-KYC, credit bureau checks supporting multiple bureaus, and AML checks are fully automated using an integration layer. Our digital liability account opening platform, DIGIGEN (www.janadigi.com), provides a fully digital self on-boarding platform for opening accounts. DIGIGEN, coupled with our video-KYC platform enables digital only deposit accounts to be opened by our customers. We have also invested in various technologies, infrastructure, and tools to drive data analytics and to convert our data into impactful insights on the behavioural trends of our customers and prospective customers.

Our Shareholders include TPG, HarbourVest Group, Amansa Capital, Morgan Stanley and Hero Ventures. The table below sets forth details of the funds we have raised through the issuance of Equity Shares allotted pursuant to preferential allotments and rights issues and the issuance of Preference Shares in the period/years indicated.

S. No	Particulars	Half year ended September 30, 2023		Year ended March 31,					
				2023		2022		2021	
		Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)
(i)	Equity Shares allotted pursuant to a preferential allotment, including premium	-	-	250.00	968.56	660.00	968.56	-	-
(ii)	Equity Shares allotted pursuant to a rights issue, including premium	4,499.44	302.98	1,917.73	580.55	-	-	-	-
(iii)	Equity Shares allotted pursuant to conversion of Preference Shares (including Equity Shares allotted pursuant to conversion of Preference Shares as stated in (v) below)	1,120.00	302.98	-	-	-	-	-	-
(iv)	Allotted Preference Shares	1,120.00	10.00	1,200.00	10.00	-	-	-	-
(v)	Preference Shares converted to Equity Shares as stated in (iii)	(1,120.00)	302.98	-	-	-	-	-	-

S. No	Particulars	Half year ended September 30, 2023		Year ended March 31,					
				2023		2022		2021	
		Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)
	above								
	Total	**5,619.44**		**3,367.73**		**660.00**			

In addition to the above, our Bank, in consultation with the BRLMs, undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each, aggregating to ₹121.54 million, and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹1,009.99 million. The size of the Fresh Issue has been adjusted to ₹4,620.00 million.

For more details on the above referenced issuances of Equity Shares and Preference Shares, see "*Capital Structure-Share Capital History of our Bank*" on page 130.

We place an emphasis on good corporate governance and five out of our eight Directors are independent Directors.

Set forth below are certain Indian GAAP financial measures, Non-GAAP Financial Measures and operational data as at the dates and for the periods indicated:

Particulars	As at and for the half year ended September 30,		As at and for the year ended March 31,		
	2023	2022	2023	2022	2021
AUM[(1)] (₹ in millions)	230,295.58	170,567.55	201,018.01	153,473.37	127,705.26
Gross advances (₹ in millions)	213,471.30	149,920.24	180,007.41	132,503.20	118,389.82
Net advances (₹ in millions)	210,087.10	146,426.49	177,595.55	130,066.74	115,996.73
Disbursements (₹ in millions)	84,790.98	65,629.60	148,117.18	115,862.61	76,244.62
Gross NPAs as a percentage of gross advances (%)	2.44%	6.83%	3.94%	5.71%	7.24%
Net NPAs as a percentage of net advances (%)	0.87%	4.60%	2.64%	3.95%	5.33%
Yield on Average Total Interest Earning Assets[(2)] (%)	14.68%	13.87%	14.32%	14.36%	16.52%
Deposits (₹ in millions)	189,367.24	141,677.52	163,340.16	135,364.92	123,162.58
Credit to Deposits Ratio[(3) (*)] (%)	110.94%	103.35%	108.73%	96.09%	94.18%
Retail Deposits to total deposit ratio[(4)] (%)	67.21%	75.91%	70.22%	75.86%	73.50%
Cost of Funds [(*)] (%)	7.55%	6.74%	7.02%	7.37%	8.61%
Net Interest Margin[(5) (*)] (%)	7.78%	7.47%	7.73%	7.32%	8.36%
Net Worth[(6) (*)] (₹ in millions)	25,471.08	15,773.17	17,770.69	11,845.58	11,007.65
CRAR (%)	17.50%	16.36%	15.57%	15.26%	15.51%
Number of active customers (in million)	4.87	4.11	4.57	3.67	3.15

Notes:

1. *AUM is advances under management and is calculated as the sum of gross advances, inter-bank participation certificates (IBPCs), assigned advances and advances sold to ARCs for which our Bank is acting as a collection agent ("**AUM**").*

2. *Yield on Average Total Interest-Earning Assets is calculated as the ratio of interest earned to Average Total Interest-Earning Assets. Average Total Interest-Earning Assets are total interest-earning assets calculated on the basis of the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year ("**Average***

Total Interest-Earning Assets").

3. *Credit to Deposits Ratio is calculated as a ratio of net advances divided by total deposits ("**Credit to Deposits Ratio**").*

4. *Retail Deposits is calculated as CASA (demand deposits from banks plus demand deposits from others plus savings bank deposits) plus Retail Term Deposits (single rupee deposits of less than ₹20 million).*

5. *Net Interest Margin is the ratio of Net Interest Income to Average Total Interest-Earning Assets ("**Net Interest Margin**"). Net Interest Income is interest earned minus interest expended ("**Net Interest Income**").*

6. *Net Worth is computed as the sum of capital and reserves and surplus ("**Net Worth**").*

* *Non-GAAP Financial Measure.*

The tables below set forth below certain key Indian GAAP financial measures and Non-GAAP Financial Measures data for our Bank and our listed peers as at and for the half year ended September 30, 2023 and as at and for the year ended March 31, 2023.

Name of the bank	**As at and for the half year ended September 30, 2023**				
	Gross advances (₹ in millions)	**Total Capital Ratio (CRAR (2) (%)**	**Gross NPA % (3)**	**Net NPA % (4)**	**Return on Average Equity (5) (%)**
Jana Small Finance Bank Limited*	213,471.30	17.50%	2.44%	0.87%	19.60%
Listed peers:					
AU Small Finance Bank Limited	650,285.11	22.40%	1.91%	0.60%	13.90%
Suryoday Small Finance Bank Limited	68,207.90	30.23%	2.90%	1.46%	12.20%
CreditAccess Grameen Limited	224,880.00	25.01%	0.77%	0.24%	24.70%
Spandana Sphoorty Financial Limited	90,520.00	36.60%	1.40%	0.42%	15.10%
Bandhan Bank Limited	107,630.00	20.60%	7.30%	2.30%	14%
Ujjivan Small Finance Bank Limited	265,740.00	25.20%	2.35%	0.09%	28.00%
Equitas Small Finance Bank Limited	312,290.00	21.33%	2.12%	0.91%	14.62%
Fusion Micro Finance Limited	100,264.30	28.78%	2.68%	0.65%	20.02%
Utkarsh Small Finance Bank Limited	148,920.00	24.82%	2.81%	0.16%	18.20%

Name of the bank	**As at and for the year ended March 31, 2023**				
	AUM (1) (₹ in millions)	**Total Capital Ratio (CRAR)(2) (%)**	**Gross NPA % (3)**	**Net NPA % (4)**	**Return on Average Equity (5) (%)**
Jana Small Finance Bank Limited*	201,018.02	15.57%	3.71%	2.48%	16.78%
Listed peers:					
AU Small Finance Bank Limited	591,580.00	23.59%	1.66%	0.42%	15.52%
Suryoday Small Finance Bank Limited	61,140.00	33.72%	3.13%	1.55%	5.03%
CreditAccess Grameen Limited	175,610.00	23.58%	1.21%	0.35%	17.81%
Spandana Sphoorty Financial Limited	85,110.00	36.87%	1.95%	0.58%	0.40%
Bandhan Bank Limited	1,091,200.00	19.76%	4.87%	1.17%	11.87%
Ujjivan Small Finance Bank Limited	240,850.00	25.81%	2.88%	0.04%	31.80%
Equitas Small Finance Bank Limited	278,610.00	23.80%	2.76%	1.21%	12.20%

Name of the bank	As at and for the year ended March 31, 2023				
	AUM [(1)] (₹ in millions)	Total Capital Ratio (CRAR)[(2)] (%)	Gross NPA % [(3)]	Net NPA % [(4)]	Return on Average Equity [(5)] (%)
Fusion Micro Finance Limited	92,960.00	27.94%	3.46%	0.87%	21.16%
Utkarsh Small Finance Bank Limited	139,571.08	20.64%	3.23%	0.39%	22.84%

Notes:

1. *AUM represents Advances under Management and is calculated as the sum of gross advances plus advances originated and transferred under securitization, assignment, and inter-bank participation certificates and sale to ARCs for which the company continues to hold collection responsibilities. AUM was not publicly available for many of our listed peers as at September 30, 2023.*
2. *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*
3. *Gross NPA % as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*
4. *Net NPA % disclosed by the company as of the last day of the relevant period/fiscal year.*
5. *Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.*

[*] *Financial information is derived from the Restated Financial Statements.*

(Source for listed peers: Fitch Report).

For more details on our and our peers key performance indicators, see "*Basis for Offer Price*" on page 186.

Our Strengths

We are a digitalised bank and the majority of our services are available in digital form to customers

We are a digitalised bank. Our core banking is supported by integrated multi-channel operations. We leverage technology to identify potential opportunities, deliver products and services to our target customers, and improve customer satisfaction and business efficiency. Our back-end operations, including the core banking system, human resources, customer relationship management systems, anti-money laundering check system, lead management system, collection and disbursement systems, as well as treasury operations, are automated using robotic process automation technology and other automation processes, which has helped improve the internal turnaround time. Our new products are designed with application programming interface (API) technology to increase operating efficiencies, deliver better quality services, and to allow us to integrate with the larger ecosystem leveraging on the API framework.

We offer our customers a number of digital products, services and platforms, including mobile banking and internet banking (retail and corporate). All banking and payment transactions, such as remittances, can be completed through these platforms. Our customers are also able to register for deposit accounts on a unified payment interface-based mobile application. We have implemented technology solutions that enable us to execute cashless disbursement of loans. Our collections mechanism has also been largely digitized through the use of mobile applications. Apart from the standard digital payment services, including NEFT, RTGS, IMPS, e-NACH/NACH, we also provide a UPI QR code-based equated monthly instalment (EMI) payment service.

In line with our vision, all our products, especially liabilities products, have a digital outlay. Our liability products suite includes a fully digital self on-boarding channel and also an assisted digital on-boarding channel dependent on the customer segment and their preference. Complete digitalization, customer ease, and safety are the backbone of our product design. Apart from introducing the standard banking products and services, we have also introduced features such as UPI QR code-based EMI collection and savings account opening through video-KYC.

Our account opening and loan underwriting process is digitalised right from our frontline sales team using tablet/mobile-based digital sourcing to our underwriters completing the approval and sanction of loans. We leverage technology for underwriting and credit sanctioning for our loan products based upon inputs from credit bureaus and/or our customer data analytics. Credit underwriting rules for many of our asset products are automated, which ensures fast turnaround times for loan applications. Our customer on-boarding process has been predominantly digitized for our unsecured loans. We provide customers (who do not open their accounts digitally or via video KYC) with pre-generated kits immediately upon opening current accounts and savings accounts. This enables them to use the ATM-cum-debit cards provided with the pre-generated kits without having to wait for the ATM-cum-debit card to be activated by us, thereby resulting in increased customer satisfaction.

We have the digital infrastructure, certification and technical capability to act as sponsor bank for enabling digital payments for financial institutions like co-operative banks/fintech companies. The average age of our employee base is around 30 years and our staff have adapted to technology and are hands-on with the digital processes in sourcing, underwriting, collection, and other functions.

We have secured contracts with payment gateway service providers to make these services available to our customers who wish to extend the payment gateway services to their retail customers while they are making payments on our customer's portals. We have a capability of presenting electronic standing instructions using NACH services interchangeably for the borrower and co-borrower/guarantor. This provides us flexibility to present NACH for EMI collections from either of the accounts depending upon customers' instructions.

We remain focussed on innovating and improving our technology platforms. We provide our customers, including corporates and businesses, with an array of essential banking services on our corporate internet banking channel. Our corporate internet banking platform provides the power to execute critical banking transactions. This platform makes our current accounts well suited for corporates and MSME customers.

We have a video-KYC interface as well. With this video-KYC feature, our customer relationship executives and business development executives can connect with customers and prospective customers remotely. Our existing digital savings and fixed deposit bank account digital self-on-boarding platform, DIGIGEN, coupled with our video-KYC platform delivers the full feature account opening process to our customers in the safe confines of their homes or a place of their choice. With the help of our video-KYC and DIGIGEN platforms, we are able to provide geographically distant customers with an ability to open savings and fixed deposit accounts.

We constantly explore new partnership opportunities to add to our information technology capabilities. Our current partners include local and global information technology companies.

The following table sets forth information relating to the digitalization of our Bank:

Particulars	For the half year ended September 30,		For the year ended March 31,		
	2023	2022	2023	2022	2021
Number of internet banking transactions (in millions)	0.14	0.14	0.31	0.18	0.11
Value of internet banking transactions (₹ in millions)	10,425.27	8,107.06	18,975.00	10,619.00	5,235.00
Number of mobile banking transactions (in millions)	0.83	0.92	1.73	1.76	1.32
Value of mobile banking transactions (₹ in millions)	26,439.14	24,513.67	48,806.00	38,463.00	22,738.00

Integrated risk and governance framework

We adopt an integrated risk management approach. Our integrated risk management framework lays down our core principles in identifying, measuring, assessing, and managing the key risks. We have put in place detailed risk management policies and a governance structure for each type of key risks, including credit, operations, liquidity, interest rate, market, cyber and information security, and reputational risks. Our risk governance structure is clearly defined for each key risk. Our risk-focused culture involves reward programmes that incorporate risk-related objectives, and learning programmes to promote integrated risk management. We have designed, implemented, and maintained an effective risk programme and follow risk-based oversight. Each of our risk-related management committees is responsible for overseeing the management of risks on a regular basis and report to the Board. We have an independent system that is used to evaluate the effectiveness of our risk management policies.

We entrench risk ownership in every business function and every department has its own functional operational risk committee. Each of our Branches, customer service points, central processing units, and functional departments is responsible for the performance of its business operations and the management of the risks it takes within the established risk framework.

We have a credit assessment and evaluation process. Our credit decision for unsecured loans is mostly automated, which significantly reduces human errors and standardizes the credit assessment procedure. Our credit team, with 367 credit employees as at September 30, 2023, conducts field verification as part of the credit underwriting procedure, as necessary. For our secured loan portfolios, our detailed collateral valuation mechanism overseen by an in-house central valuation expert helps to ensure that the value of the collateral is accurate and up-to-date. We have a separate risk organization and collections vertical. We have an operational governance policy, a defined risk appetite framework, co-borrower checks, and geographical limits on advances in order to reduce state-wide concentration risk.

We have a Collections, Recovery, and Remediation policy to assist in repayment of loans by taking appropriate recovery measures to prevent loans from turning into NPAs. We undertake various collection strategies based on aging and severity of the cases, including SMS and tele-calling as well as field visits. We also concentrate on early detection of nascent sickness of MSMEs to reduce our NPAs and take adequate legal steps in case the borrowers are not forthcoming in clearing their outstanding dues. We have a separate collections team for collections of loans that are more than 30 days past due. All the employee productivity scorecards and performance measurements of sales personnel have a clawback clause which is directly linked to the collections.

Professional and experienced management and Board

Ajay Kanwal, our Managing Director and Chief Executive Officer, has more than 33 years' experience in financial services and was previously, among other roles, the Regional CEO, ASEAN and South Asia at Standard Chartered Bank in India and Singapore before joining us in August 2017. Other members of our Key Managerial Personnel and Senior Management Personnel have held various leadership positions in the banking sector, including at Standard Chartered Bank, State Bank of India, Citibank, HDFC Bank and Kotak Mahindra Bank, and their experience has helped us to introduce what we believe to international best practices in risk management, compliance and governance. Our Key Managerial Personnel and Senior Management Personnel (combined) have an average of 27 years' working in financial services organizations and collectively have extensive experience in banking, credit evaluation, risk management, collections, operations, treasury and technology.

Our policy decisions are predominantly driven by data analytics, which are presented in various internal committees leading to data-led decision making.

We have an experienced Board, comprising members with diverse business experience, many of whom have held senior positions in well-known financial services institutions and banks, including the RBI. Mr. Ramesh Ramanathan, our Non-Executive Non-Independent Director, previously held various positions in the capital market business at Citibank NA. For more details of our Board, Key Managerial Personnel and Senior Management Personnel, see "*Our Management*" on page 345.

Our Shareholders include TPG, HarbourVest Group, Amansa Capital, Morgan Stanley and Hero Ventures. The table below sets forth details of the funds we have raised through the issuance of Equity Shares allotted pursuant to preferential allotments and rights issues and the issuance of Preference Shares in the period/years indicated.

		Half year ended September 30, 2023		**Year ended March 31,**					
				2023		**2022**		**2021**	
S. No	**Particulars**	**Amount (₹ in millions)**	**Issue Price (₹)**	**Amount (₹ in millions)**	**Issue Price (₹)**	**Amount (₹ in millions)**	**Issue Price (₹)**	**Amount (₹ in millions)**	**Issue Price (₹)**
(i)	Equity Shares allotted pursuant to a preferential allotment, including premium	-	-	250.00	968.56	660.00	968.56	-	-
(ii)	Equity Shares allotted pursuant to a rights issue, including premium	4,499.44	302.98	1,917.73	580.55	-	-	-	-
(iii)	Equity Shares allotted pursuant to conversion of Preference Shares (including Equity Shares allotted pursuant to conversion of Preference Shares as stated in (v) below)	1,120.00	302.98	-	-	-	-	-	-
(iv)	Allotted Preference Shares	1,120.00	10.00	1,200.00	10.00	-	-	-	-

S. No	Particulars	Half year ended September 30, 2023		Year ended March 31,					
				2023		2022		2021	
		Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)
(v)	Preference Shares converted to Equity Shares as stated in (iii) above	(1,120.00)	302.98	-	-	-	-	-	-
	Total	**5,619.44**		**3,367.73**		**660.00**			

In addition to the above, our Bank, in consultation with the BRLMs, undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each, aggregating to ₹121.54 million, and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹1,009.99 million. The size of the Fresh Issue has been adjusted to ₹4,620.00 million.

For more details on the above referenced issuances of Equity Shares and Preference Shares, see "*Capital Structure-Share Capital History of our Bank*" on page 130.

Customer-centric organization with more than 16 years' experience in serving underbanked and underserved customers

We have more than 16 years' experience in serving underbanked and underserved customers and most of our asset products are catered for such customers and the MSME segment. We provide banking services at our customers' doorsteps in urban and rural geographies, thereby driving financial inclusion for the underbanked and underserved customer segment. An example of our customer-centric approach is the providing of multiple loan and liability banking options to underbanked and underserved customers to cater to their life stage requirements. We provide them with not only unsecured group loans and agricultural and allied loans, but also individual loans for various purposes and micro business loans as well as current accounts, savings accounts, and term deposits. Since we believe our customers prefer a single source for multiple financial services, our business model is centred on building a 'one-stop shop' to cater our customers' different financial needs. As our customers have graduated from unsecured loans, we have expanded our asset products to cater to them as well as to new customers. We launched gold loans and MSME loans with revised credit and collateral condition in Fiscal 2018, affordable housing loans, secured business loans and loans against fixed deposit in Fiscal 2019, and two-wheeler loans in Fiscal 2021. Our gross secured advances has increased from ₹50,760.00 million as at March 31, 2021 to ₹99,047.54 million as at March 31, 2023, representing a CAGR of 39.69%, and further increased to ₹122,577.38 million as at September 30, 2023, an increase of 23.76%. We were the fourth fastest growing secured advances franchise among all Small Finance Banks from as at March 31, 2022 to as at March 31, 2023. *(Source: Fitch Report).* The table below sets forth our gross secured advances and such advances as percentage of our gross advance as at the dates indicated.

Particulars	As at September 30, 2023		As at March 31,					
			2023		2022		2021	
	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances
Gross secured advances	122,577.38	57.42	99,047.54	55.02	70,271.26	53.03	50,760.00	42.87
Total gross advances	213,471.30	100.00	180,007.41	100.00	132,503.20	100.00	118,389.82	100.00

Our digital savings and fixed deposit bank account digital self-on-boarding platform, DIGIGEN, coupled with our video-KYC platform, delivers the full account opening process to our customers in the safe confines of their homes or any other place of their choice.

We recognize that our business is driven by the acquisition of new customers and retention of existing ones. As part of our commitment to our customers, we have put in place a customer service policy that details our customer service delivery standards, defines how customer complaints and grievances shall be handled, and sets out our customers' rights. We aim to consistently provide prompt, courteous, and efficient service to our customers, which in turn increases customer satisfaction, reduces customer grievances, and helps us to compete better in the market.

Pan-India presence with strong brand recognition

As at September 30, 2023, we had 771 banking outlets, including 278 banking outlets in unbanked rural centres, in 22 states and two union territories. Our pan-India presence has enabled us to reduce our concentration risk. The table below sets forth the gross advances from the state with the largest gross advances based on the location of our banking outlets and the gross advances from top three states combined based on the gross advances based on the location of our banking outlets as at the dates indicated.

Particulars	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances
State with the largest gross advances based on the location of our banking outlets	29,478.39	13.81%	24,664.47	13.70%	22,512.89	16.99%	23,046.35	19.45%
Top three states combined based on the gross advances based on the location of our banking outlets	81,630.65	38.24%	68,024.08	37.79%	60,346.03	45.54%	61,939.52	52.32%
Total gross advances	213,471.30	100.00	180,007.41	100.00	132,503.20	100.00	118,389.82	100.00

We have served nearly 12 million customers since 2008, including 4.87 million active customers as at September 30, 2023. In the half year ended September 30, 2023 and Fiscals 2023, 2022 and 2021, we added 0.30 million, 0.91 million, 0.51 million and 0.08 million new customers, respectively. The following table sets forth certain information about our customer base as the dates indicated.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(in millions)			
Both borrowers and depositors	2.28	2.33	2.18	2.29
Borrowers only	0.24	0.39	0.28	0.44
Depositors only	2.33	1.86	1.21	0.43
Total customers	**4.87**	**4.57**	**3.67**	**3.15**

In September 2020, we launched our "Jama Karo, Jana Karo" (which translates as "Think of Jana every time you think of saving") campaign. The campaign was intended to cover a spectrum of customers and potential customers. This campaign was also our first above the line brand campaign in multiple regional languages (Hindi, Tamil, Kannada, Marathi and Bengali). The key theme of this campaign was to invoke trust, with the goal of expanding our Retail Deposit business.

Fast growing Retail Deposits base and diversified deposit franchise

We have been able to leverage the strength of the "Jana" brand to rapidly grow our deposit portfolio since we commenced operations as a Small Finance Bank in March 2018. As an NBFC, we were not permitted to accept deposits as per applicable laws in India. We offer a diverse range of deposit products to appeal to different segments of our customer base. Our deposit products comprise current accounts, savings accounts, recurring deposits and term deposits. We offer a variety of term deposits with multiple interest payment options, along with competitive interest rates. We also offer higher interest rates for senior citizens. Our deposits increased from ₹123,162.58 million as at March 31, 2021 to ₹163,340.16 million as at March 31, 2023, representing a CAGR of 15.16%, and further increased to ₹189,367.24 million as at September 30, 2023, an increase of 15.93%. We were among the top four Small Finance Banks in India in terms of deposit size as at September 30, 2023. (*Source: Fitch Report*). We believe our deposits provide significant advantages, including greater customer retention and increased cross-selling opportunities. In addition, our access to deposits gives us a lower Cost of Funds compared to some NBFCs and MFIs. For details, see "*Industry Overview – Comparison of different business models including MFI, SFB and commercial bank*" on page 224.

Since becoming a Small Finance Bank, we have placed a strong emphasis on increasing our Retail Deposits, as they have lower rates of interest compared to Bulk Deposits and are more likely to stay deposited with us over a longer period compared to Bulk Deposits. We were amongst the top five Small Finance Banks in term of share of Retail Deposits (comprising CASA and Retail Term Deposits) as a percentage of total deposits among all Small Finance Banks as at March 31, 2023. (*Source: Fitch Report*). Our access to a diversified Retail Deposit base has helped to decrease our Cost of Funds from 8.61% as at March 31, 2021 to 7.55% as at September 30, 2023.

The following table sets forth, as at the dates indicated, deposits and the percentage composition by each category of deposits.

Particulars	**As at September 30, 2023**		**As at March 31,**					
			2023		**2022**		**2021**	
	Amount (₹ in millions)	**% of total deposits**	**Amount (₹ in millions)**	**% of total deposits**	**Amount (₹ in millions)**	**% of total deposits**	**Amount (₹ in millions)**	**% of total deposits**
Demand deposits [A]	9,125.89	4.82	7,123.88	4.36	7,661.51	5.66	5,787.83	4.70
Savings bank deposits [B]	29,670.13	15.67	25,885.69	15.85	22,829.22	16.86	14,276.30	11.59
CASA [C = A + B]	***38,796.02***	***20.49***	***33,009.57***	***20.21***	***30,490.73***	***22.52***	***20,064.13***	***16.29***
Term deposits	150,571.22	79.51	130,330.59	79.79	104,874.19	77.48	103,098.45	83.71
Of which:								
Retail Term Deposits [D]	*88,479.10*	*46.72*	*81,681.36*	*50.01*	*72,191.41*	*53.33*	*70,461.29*	*57.21*
Bulk Deposits	*62,092.12*	*32.79*	*48,469.23*	*29.78*	*32,682.78*	*24.14*	*32,637.16*	*26.50*
Retail Deposits [E = C + D]	***127,275.12***	***67.21***	***114,690.93***	***70.22***	***102,682.14***	***75.86***	***90,525.42***	***73.50***
Total deposits	**189,367.24**	**100.00**	**163,340.16**	**100.00**	**135,364.92**	**100.00**	**123,162.58**	**100.00**

The following table sets forth, as at the dates indicated, Retail Term Deposits, term deposits from senior citizens and term deposits with a tenure of more than 90 days and such amounts as a percentage of our term deposits.

Particulars	**As at September 30, 2023**		**As at March 31, 2023**		**As at March 31, 2022**		**As at March 31, 2021**	
	Amount (₹ in millions)	**% of term deposits**	**Amount (₹ in millions)**	**% of term deposits**	**Amount (₹ in millions)**	**% of term deposits**	**Amount (₹ in millions)**	**% of term deposits**
Retail Term Deposits	88,481.22	58.76	81,681.36	62.67	72,191.41	68.83	70,461.29	68.34

Particulars	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	% of term deposits	Amount (₹ in millions)	% of term deposits	Amount (₹ in millions)	% of term deposits	Amount (₹ in millions)	% of term deposits
Term deposits from senior citizens	48,325.67	32.09	43,907.12	33.64	33,406.24	31.85	32,458.22	31.48
Deposits with a term of more than 90 days	308.15	0.20	125,299.68	86.05	102,153.87	97.41	102,743.36	99.66
Term deposits	150,571.22	100.00	130,330.59	100.00	104,874.19	100.00	103,098.45	100.00

Our deposit base comprises customers across segments and geographies. The table below sets forth the number of our deposit accounts by type as at the dates indicated.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(in millions)			
Number of demand deposit accounts	0.08	0.08	0.07	0.04
Number of savings deposit accounts	4.63	4.19	3.36	2.68
Number of term deposits	0.31	0.28	0.26	0.27
Total number of deposits	5.02	4.55	3.68	2.98

The table below sets forth our deposits from our largest depositor and top 20 largest depositors and as a percentage of our total deposits as at the dates indicated.

Particulars	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits
Deposits from our largest depositor	3,550.00	2.00	3,000.00	1.84	1,500.00	1.11	1,250.00	1.01
Deposits from our 20 largest depositors	29,337.78	15.49	23,820.60	14.58	17,861.03	13.19	15,571.65	12.64
Total deposits	189,367.24	100.00	163,340.16	100.00	135,364.92	100.00	123,162.58	100.00

The table below sets forth the state with the largest deposits based on location of our banking outlets and the top three states combined based on the amount of deposits based on the location of our banking and as a percentage of our total deposits as at the dates indicated.

Particulars	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits
State with the largest deposits based on the location of our banking outlets	23,364.96	12.34	19,398.33	11.88	17,539.10	12.96	17,134.43	13.91
Top three states combined based on the amount of deposits based on the location of our banking outlets	61,630.43	32.55	52,716.67	32.27	47,826.48	35.33	47,690.77	38.72
Total deposits	189,367.24	100.00	163,340.16	100.00	135,364.92	100.00	123,162.58	100.00

For more details, see "*-Banking Outlets-Concentration of Deposits*" on page 292.

Although our liability strategy is largely dependent on the growth of our deposit portfolio, given the availability of low cost funds from refinance institutions, we borrowed from these institutions, thereby reducing our overall Cost of Funds. The table below sets forth our Cost of Funds for the periods and Fiscals indicated.

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
Cost of Funds (%)	7.55%	6.74%	7.02%	7.37%	8.61%

The table below sets forth our Credit to Deposit Ratio at the dates indicated.

Particulars	Half year ended September 30,		As at March 31,		
	2023	2022	2023	2022	2021
Credit to Deposits Ratio (%)	110.94%	103.35%	108.73%	96.09%	94.18%

Proven execution ability

We have a demonstrated ability to scale-up our liability business significantly. Our deposits have increased from nil when we started operating as a Small Finance Bank in March 28, 2018 to ₹189,367.24 million as at September 30, 2023. Our gross advances has increased from ₹118,389.82 million as at March 31, 2021 to ₹180,007.41 million as at March 31, 2023, representing a CAGR of 23.31%, and further increased to ₹213,471.30 million as at September 30, 2023, an increase of 18.59%. In Fiscal 2018, we launched gold loans and MSME loans with revised credit and collateral condition. In Fiscal 2019, we launched affordable housing loans and secured business loans and loans against fixed deposit. In Fiscal 2021, we launched two-wheeler loans. Our gross secured advances has grown from ₹50,760.00 million as at March 31, 2021 to ₹ 99,047.54 million as at March 31, 2023, representing a CAGR of 39.69%, and further increased to ₹122,577.38 million as at September 30, 2023, an increase of 23.76%. The proportion of our gross secured advances has increased from 42.87% as at March 31, 2021 to 57.42% as at September 30, 2023.

Our Strategies

Focus on accelerating our secured loans book with the purpose of meeting customers' needs and diversifying our lending book

Our secured loans include affordable housing loans, secured business loan, gold loans, MSME loans, and two-wheeler loans.

Gross secured advances have grown from ₹50,760.00 million as at March 31, 2021 to ₹99,047.54 million as at March 31, 2023, representing a CAGR of 39.69%, and further increased to ₹122,577.38 million as at September 30, 2023, an increase of 23.76%. The proportion of our gross secured advances has increased from 42.87% as at March 31, 2021 to 57.42% as at September 30, 2023. The table sets forth the secured advances at the dates indicated.

Particulars	**As at September 30, 2023**		**As at March 31,**					
			2023		**2022**		**2021**	
	Gross Advances (₹ in millions)	**% of Total Gross Advances**	**Gross Advances (₹ in millions)**	**% of Total Gross Advances**	**Gross Advances (₹ in millions)**	**% of Total Gross Advances**	**Gross Advances (₹ in millions)**	**% of Total Gross Advances**
Secured advances	122,577.38	57.42	99,047.54	55.02	70,271.26	53.03	50,760.00	42.87
Total advances	213,471.30	100.00	180,007.41	100.00	132,503.20	100.00	118,389.82	100.00

We plan to further accelerate our gross secured advances by: (i) offering multiple products to our existing customers including evaluating new products, such as used two-wheeler loans; (ii) focusing penetration into current states and expanding the oversight of hubs to around 100 kilometres covering Tier 1 centres (having a population of 100,000 or more) and Tier 2 centres (having a population between 50,000 and 99,999); (iii) enhancing our location strategy by mapping industry performance and tightening policies; (iv) focusing our growth plans on the right combination of customer segment and collateral type, by assessing loss given defaults based on a strengthened collections and recovery processes; and (v) enhancing our digital capabilities to source and serve customers.

Our plan is to focus on affordable housing loans and loans against property with HOME 360 as the primary product. Customers of HOME 360 are able to hold multiple loan products with our Bank and use their homes as collateral. This allows us to secure better credit at lower costs and opportunities for cross-selling under the secured loans book. Our secured business loans are sourced under the same business unit and provide individuals and businesses with the opportunity to obtain mortgages for their residential or commercial property.

We plan to continue to cross-sell gold loans to microfinance institutions customers and to maximize output through product and pricing strategies. We offer gold loans in Branches located in mid to low-income geographical areas to target customers that may need financing for emergencies, and we plan to continue scaling up dedicated manpower to focus exclusively on gold loans sales, as well as adding new variants to our gold loans offering. We will also expand the offering of new gold-loan product variants, like the agri gold loan launched in Fiscal 2022, to all outlets focused on agriculture sourcing.

Our strategy for secured loans in the MSME business is to aim at growing at a measured pace to maintain high credit quality of sourcing and expanding customer relationships. The MSME business offers customers a working capital overdraft, a current account for transaction, business insurance and insurance for business owners. Our strategy is to attract businesses as well as promoters. We have set up an account management team for early alerts as well as to deepen relationship with clients. We plan to expand direct sourcing through direct selling agents and other channels. We will also continue attracting and recruiting top talent across all levels from premium banks and financial institutions.

With respect to supply chain financing products, our Bank has anchors on-boarded and will grow this list while deepening dealer relationships with existing anchors.

Our key strategies to continue growing our retail business include accelerating retailer and dealer on-boarding, strengthening the account management framework to identify early warning signals, and continuing to hire resources outside the Tier 1 cities to target retailers in those cities.

We plan to grow our two-wheeler loan business by continuing to offer two-wheeler loans to our existing customers and attracting customers through referrals from two-wheeler dealers. To make this customer-centric approach work, our two-wheeler business has started offering savings account with every loan after six months of timely repayment of the two-wheeler loan. We intend to enter into more partnerships with business correspondents to expand our two-wheeler loan business to additional states and to grow in the rural segment through unsecured borrowers of retail financial services companies. We also plan to establish relationships with original equipment manufacturers of electronic vehicles and train retail financial services operational teams to source two-wheeler loans.

Through our focus on growing secured advances, we plan to continue decreasing our unsecured advances as a percentage of gross advances.

Reshape our unsecured loans (Microfinance Loans) business

Our unsecured loans comprise (i) individual and micro business loans; (ii) agricultural and allied loans; and (iii) urban group loans. All of the unsecured loans we currently offer are Microfinance Loans. Our key focus for our unsecured loan business is to increase end-use based loan products, such as dairy loans, loans for home improvement, unsecured loans for business purposes and debt consolidation, by cross-selling to existing banked and newly banked customers with a proven credit record located in semi-urban and rural geographies. With respect to our current unsecured loan customers in metropolitan areas, our main focus is to cross-sell secured loans, such as affordable housing loans, loans against property, gold loans and two-wheeler loans, to such customers.

Our banking outlets in unbanked rural centres primarily focus on our unsecured loan business. We have increased the number of banking outlets in unbanked rural centres from 174 as March 31, 2021 to 278 as at September 30, 2023. The 278 banking outlets in unbanked rural centres represents 36.06% of our total banking outlets, as against the regulatory requirement of 25.00%. We plan to continue to increase the number of banking outlets in unbanked rural centres.

To help increase the reach and performance of our unsecured loan business, we plan to have at least two business correspondents per state in all states/union territories in India in which we have presence. We currently have a presence in 24 states/union territories, of which we have two or more business correspondents in 11 states/union territories and one business correspondent in three states/union territories.

We have identified villages / rural locations around the radius of our Branches to offer agricultural and allied loans in agri-dominated areas, which we call "Greenspots". The sourcing and collections in these Greenspots are mapped to the Branch, including the staff. The sales and collections officers for these Greenspots are hired from these villages. Our Greenspots provide us the opportunity to increase our agricultural and allied loans. Our current policy is to open a banking outlet in a Greenspot once it attains a minimum portfolio size of 2,000 loan accounts. As at September 30, 2023, we had opened banking outlets in 50 Greenspots (which are no longer designated as a Greenspot once we open a banking outlet in that village/ rural location). As at September 30, 2023, we had 95 Greenspots and we plan to continue to set up more Greenspots.

We had discontinued our unsecured loan business in Uttar Pradesh and Uttarakhand in 2017 because of unacceptably high levels of delinquencies. In Fiscal 2021, we restarted our unsecured loan business in these states with a strategic calibrated approach, starting with end-use driven products, such as agri–lending, business loans and home improvement loans.

Improve our risk profile

We have developed products-specific scorecards for all businesses to ensure we are able to analytically track and improve our sourcing. These scorecards are for all businesses, except for secured loans greater than ₹5 million, gold loans and group loans. In addition to customized scorecards, the credit bureau score and inputs from the CRIF Highmark bureau and the Credit Information Bureau India Limited are used across all businesses. To reduce the risk of inconsistent credit standards in a decentralised credit decision set-up, we have set up a centralised credit underwriting unit responsible for approving secured loans up to ₹2.50 million.

For the secured business, we have developed a loan life cycle based risk rating model, which is being used for risk based re-pricing, loan review frequency, early warning signals, retention and cross-selling opportunities.

We plan to improve our risk profile by enhancing the overall control environment in the gold loan business, mitigating risks of default from group loans and continuing enhancing secured digitalization. As part of this strategy, we also launched a supply chain financing business in Fiscal 2021.

We have shifted our primary focus from unsecured loans to secured loans. We plan to continue to cross-sell secured loans, such as two-wheeler loans, gold loans, house repair loans and affordable housing loans, to existing unsecured customers. Similarly, in MSME loans, we have shifted our focus towards end-use controlled loans, such as supply chain loans, stock purchase loans, equipment/machinery purchase loans and invoice finance. We believe this decreases the risk of loan default, as it reduces the chance of the diversion of funds. In MSMEs loans, the diversion of loan funds from the purposes for which the loan was sanctioned, such as for capital expenditure or working capital, towards the purchase of land, green field ventures or consumption related expenses, is a key driver of poor loan performance.

We will continue to develop the supply chain financing business with dealer financing and supplier financing. We have already tied up with prominent original equipment manufacturers in the two-wheeler and consumer durable industries to provide dealer financing. A comprehensive training program has been rolled out to equip our staff to manage supply chain financing and a mobile app-based technology is up and running with multiple dealers and vendors.

We also plan to improve the risk profile by secured digitalization. We have implemented a digital lending platform, known as LendPerfect, and we plan to continue enhancing its capabilities. The objective of digitalization is to substantially automate the customer journey, reduce manual interface, thereby reducing errors significantly. In particular, the objective to digitalize the process of secured loan application assessment and to on-board a customer is to decrease the turnaround time between sales, credit and operations. The digitalization will also ensure higher quality of data, as it is obtained through fintechs and government-authorized API providers.

LendPerfect enables us to do eKYC of a customer, fetch a customer profile information through APIs, perform online income assessment using bank statements and enables a straightforward underwriting process, as the income assessment is digitally available for review. A scorecard for secured loans has been launched in the same platform and it provides assistance for relevant decision-making (approval, rejection, refer) in loan applications. It is already implemented for affordable housing loans, micro housing and micro LAP loans and two-wheeler loans (with more than 1,000 dealers onboarded as at September 30, 2023) and for MSMEs loans.

Furthermore, the digitalization strengthens the credit monitoring framework as it allows us to monitor larger exposures based on credit bureau and any performance triggers that would allow to identify early signs of weakness that require appropriate remedial actions.

We have set up a risk containment unit under our Chief Risk Officer to ensure controls on customer fraud, employee collusion, valuations and legal oversight.

Enhance the growth of Retail Deposits

We plan to concentrate on growing our Retail Deposits. To improve sales performance, we are implementing a daily sales rhythm where each member of our sales staff at our Branches has been set a daily target of meeting with 15 potential Retail Deposit customers, generating 10 leads and converting five customers. We believe that this will improve sales productivity, which coupled with customer activation with the help of a dedicated sales and monitoring process, will result in an increase in Retail Deposits, a reduction in the overall cost of acquisition of Retail Deposits and our cost of deposits.

Our other strategies for increasing our Retail Deposits include the following:

Increase our product and service offerings to non-Resident Indians ("NRIs"): We currently offer savings and fixed deposit accounts to NRI customers. We provide in-person or remote on boarding channels and have implemented a dedicated contact help desk for NRIs, including email and contact numbers. We are planning to expand our offerings to include the complete product suite to NRI customers, including remittance services.

Continue digital on boarding for entities: Digital onboarding reduces the account opening time substantially and enables us to provide enhanced customer satisfaction by allowing us to issue debit cards on a real-time basis.

Grow our corporate salary business: We have launched a dedicated channel for the salaried customer segment in order to acquire more customers in this segment and to cross-sell to our existing customers in this segment.

Alliances with third parties from banking to broking

We plan to improve our competitive position, offer our products and services to a broader range of customers, utilize the technological and digital advantages of fintechs and expand our reach through establishing alliances and partnerships with third parties. The key elements of this strategy include:

Increase our distribution of third-party products. We plan to enter into alliances with securities brokerage companies and offer 3-in-1 accounts (CASA, DEMAT and a trading account) to our deposit customers to enable them to easily buy and sell securities. We also plan to offer more health insurance products through existing health insurance partnerships. In addition, we are planning to enter into tie-ups with third-party mutual funds for the distribution of mutual funds.

Broaden our product suite. We plan to forge closer ties with CSC e-Governance Services India Limited for Aadhaar Enabled

Payment System (AEPS) direct money transfer services, with a focus on rural areas for financial inclusion. We also plan to enter into agreements with large consumer companies for lending to their customers based on analysis of their customers' transactions and payments history. This last initiative includes exploring proposals from several neo-banks and fintechs to facilitate and drive electronic-KYC and video-KYC-based onboarding and enable servicing channels for eNACH and payments.

Offering our transaction banking services to other companies. We plan to continue with the sponsorship programs with co-operative banks with the purpose of providing their customers access to payment services, such as NEFT, RTGS and IMPS, and ATM switch access. We will also plan to continue offering transaction banking, including CASA composite solutions, to supply chain finance partnerships. We are also selectively engaging fintech and banking correspondents to gain scale through third-party product capability and last mile geographic reach. We are also engaging fintechs to seek opportunities to generate CASA via our supply chain.

Deepen customer relationships

We plan to focus on cross-selling key loan and insurance products to existing customers who have shown a good repayment behaviour. We will enhance the scorecard using the data that we have about the customer's behaviour together with the information in the credit bureau to ensure the right segment of customers is chosen to offer loan top ups and cross-sell products. Our focus will be on cross-selling two-wheeler loans, house loans, personal loans, gold loans, school fee loans and computer loans and third- party products, such as health, life and general insurance.

As part of this strategy, we have introduced the Sunrise Program and Home 360. This program aims to cross-sell multiple products, such as two-wheeler loans, insurance, affordable home loans, individual loans and gold loans, to our existing retail financial services customer base. These programs provide customers with the opportunity to have a "One Stop Shop" for all their financial needs and also allows us to mitigate risk and provide more secured loan options, along with understanding the customer behaviour pattern.

Continued focus on digitized operations

Our journey as a financial institution has been underpinned by a technology base, with increasing digitization at its core. Digitization of our services is one of our key strategies and we will continue developing the Jana application and enhancing mobile channels. Through the Jana application, we will increase the digital journey experience of our customers by providing customer acquisition and on-boarding, customer management, and cross-selling opportunities, with a focus on customer experience. Our strategies for increasing digitization in our business include the following:

Tab and mobile based sourcing, credit evaluation and collections to be significantly implemented across all asset products.

Enhancing our loan origination system architecture while enabling deeper and instant credit decision-making, which will allow online straight-through integration with our fintech partners' ecosystems.

We plan to continue to incorporate fraud checks and regulatory compliance, with a focus on enhancing and exploiting artificial intelligence and machine learning capabilities, while avoiding any manual steps.

We plan to enhance our self-fulfilment service request offerings through mobile and internet banking channels.

In October 2020, we introduced certain robotic process automation capabilities in our back-office services. A number of manual processing steps have been automated, with an emphasis on reducing turnaround time and eliminating human errors. Our central processing centre is responsible for completing back office process activities on a loan application. These activities include verification of KYC and product related documents taken from the customer, follow ups with the sales and credit teams to complete the loan application related information, review and processing of loan sanctions, and management of post-dated cheques and post disbursement documents on an application-to-application basis. We currently require a large number of employees to perform these tasks, as they all currently require human intervention. As at September 30, 2023, our central processing centre had 156 employees. The automation project was focused on automating the processes of insurance claims, endorsing insurance coverage in systems, linking collaterals, core banking system postings, pre- and post-loan sanctions processes, and further funds transfer and disbursement. We plan to introduce more robotic process automation capabilities in a phased manner, including optical character recognition capabilities and other artificial intelligence and machine learning techniques (e.g., face-match), wherever possible, with the intent to reduce turnaround time and human errors, which will ultimately lead to a superior customer experience.

We have already digitized many of the registers used at our Branches, including: inward/outward mails register; vault/premises key movement register; branch document register; security stock register; suspense cash register; issuance register; excess/short cash register; and mutilated cash register. We believe the digitization of these registers has enhanced the productivity of our Branches, increased the accuracy of the data, made auditing of the data easier and made the central monitoring of these registers much easier.

We are pushing digital adoption both within our Bank and by our customers. Apart from being a source of revenue, debit cards have a direct impact on the transaction intensity and thereby on our CASA average balances. As at September 30, 2023, 51% of our customers had registered for mobile banking and our goal is to increase that percentage significantly by the end of Fiscal 2024. The table below sets forth the percentage of our customers who had registered for mobile banking as the dates indicated.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
Percentage of our customers who had registered for mobile banking	51%	52%	54%	57%

Asset Products

Our asset products comprise secured and unsecured loan offerings. Our secured loan products include MSME loans, affordable housing loans, secured business loans, supply chain finance, gold loans, loans against fixed deposits, two-wheeler loans and term loans to NBFCs. Our unsecured loan products include group loans, agricultural and allied loans and individual loans.

The table set forth below shows our gross advances by category of advance and as a percentage of our gross advances as at the dates indicated.

Category of Advance	As at September 30, 2023		As at March 31,					
			2023		2022		2021	
	Gross Advances (₹ in millions)	% of Total Gross Advances	Gross Advances (₹ in millions)	% of Total Gross Advances	Gross Advances (₹ in millions)	% of Total Gross Advances	Gross Advances (₹ in millions)	% of Total Gross Advances
Secured advances:								
Micro LAP	38,708.74	18.13	28,070.66	15.59	18,763.45	14.16	12,310.00	10.40
MSME loans	31,234.90	14.63	26,130.77	14.52	18,882.81	14.25	14,040.00	11.86
Affordable housing loans	29,592.25	13.86	23,812.33	13.23	16,595.00	12.52	9,400.00	7.94
Term loans to NBFCs	13,902.15	6.51	13,986.10	7.77	9,900.00	7.47	6,430.00	5.43
Loans against fixed deposits	3,097.81	1.45	2,445.97	1.36	2,290.00	1.73	2,660.00	2.25
Two-wheeler loan	3,336.51	1.56	2,354.74	1.31	1,260.00	0.95	110.00	0.09
Gold loans	2,705.03	1.27	2,246.97	1.25	2,580.00	1.95	5,810.00	4.91
Total secured advances	**122,577.38**	**57.42**	**99,047.54**	**55.02**	**70,271.26**	**53.03**	**50,760.00**	**42.87**
Unsecured advances:								
Microfinance Loans[(1)]:								
Individual and micro business loans	47,481.47	22.24	42,869.91	23.82	28,912.57	21.82	10,843.90	9.16
Agricultural and allied loans	36,141.39	16.93	30,944.43	17.19	18,770.00	14.17	15,510.70	13.10
Group loans	6,756.60	3.17	6,414.88	3.56	13,191.18	9.96	38,590.26	32.60
Total Microfinance Loans	***90,379.46***	***42.34***	***80,229.22***	***44.57***	***60,873.75***	***45.94***	***64,944.86***	***54.86***
Non-Microfinance Loans:								

Category of Advance	As at September 30, 2023		As at March 31,					
			2023		2022		2021	
	Gross Advances (₹ in millions)	% of Total Gross Advances	Gross Advances (₹ in millions)	% of Total Gross Advances	Gross Advances (₹ in millions)	% of Total Gross Advances	Gross Advances (₹ in millions)	% of Total Gross Advances
Unsecured working capital loans and overdraft facilities to micro and small enterprises based on their GST returns (2)	514.42	0.24	730.65	0.41	1,358.20	1.03	2,684.95	2.27
Total Non-Microfinance Loans	***514.42***	***0.24***	***730.65***	***0.41***	***1,358.19***	***1.03***	***2,684.95***	***2.27***
Total unsecured advances	**90,893.92**	**42.58**	**80,959.87**	**44.98**	**62,231.95**	**46.97**	**67,629.82**	**57.13**
Total gross advances	**213,471.30**	**100.00**	**180,007.41**	**100.00**	**132,503.20**	**100.00**	**118,389.82**	**100.00**

Notes:

1. *The RBI Regulatory Framework for Microfinance Loans Direction, 2022, which was effective from October 17, 2022, defines microfinance loans as follows: (i) a microfinance loan is defined as a collateral-free loan given to a household having annual household income up to ₹300,000. For this purpose, the household shall mean an individual family unit, i.e., husband, wife and their unmarried children. (ii) All collateral-free loans, irrespective of end use and mode of application/ processing/ disbursal (either through physical or digital channels), provided to low-income households, i.e., households having annual income up to ₹300,000, shall be considered as microfinance loans. (iii) To ensure collateral-free nature of the microfinance loan, the loan shall not be linked with a lien on the deposit account of the borrower. (iv) The bank shall have a board-approved policy to provide the flexibility of repayment periodicity on microfinance loans as per borrowers' requirements. Prior to the effective date of the RBI Regulatory Framework for Microfinance Loans Direction, 2022, we considered all of our unsecured loans (except unsecured working capital loans and overdraft facilities to micro and small enterprises based on their GST returns) to be microfinance loans. Therefore, as used herein, "**Microfinance Loans**" means all of our unsecured loans except unsecured working capital loans and overdraft facilities to micro and small enterprises based on their GST returns up to and including October 16, 2022 and from and including October 17, 2022, it has the meaning given to that term in the RBI Regulatory Framework for Microfinance Loans Direction, 2022.*
2. *We no longer offer this product and are winding down these advances.*

Secured Advances

<u>Micro Housing Loans and Micro Loans Against Property (Micro LAP)</u>

We offer small ticket housing loans and loans against property to cater to the housing requirements of underbanked customers. The target segment for these loans is the underprivileged and underbanked customers from economically weaker sections and low-income groups. We offer loans of ₹0.05 to ₹5.00 million for durations/tenure ranging from three years to 30 years and for the purpose of home purchase, construction, repair, renovation or extension. Our maximum loan to collateral value ratio for new loans goes up to a maximum of 90% as per approved grid and in line with regulatory norms.

We also offer loans against property to small businesses as well as individuals to meet their working capital, machinery purchase, long-term business requirements and personal consumption. The loan amount ranges from ₹0.05 to ₹5.00 million for a tenure of up to 180 months, with a maximum LTV (loan to value) ratio of 80%.

As at September 30, 2023, we charged a processing fee of up to 2% (excluding GST and other taxes) on the sanctioned loan amount. The interest rates is fixed for the first thirty-nine months and is then linked with the interest rate on six months T-bills plus the agreed margin as per the sanction conditions. The loans are secured by mortgage of land, residential or commercial property or other approved collateral security.

We launched micro housing loans in October 2020.

As at September 30, 2023, the key loan parameters were as follows:

Loan Parameters	Micro Housing Loans	Micro-Loans against Property
Facility amount	₹50,000 to ₹5,000,000	₹50,000 to ₹5,000,000
Processing fee (% of loan amount), excluding GST and other taxes	0 to 2%	0 to 2%

Loan Parameters	Micro Housing Loans	Micro-Loans against Property
Tenure	Up to 30 years	Up to 15 years
LTV ratio	Up to 90%	Up to 80%

Customers

Our target customers belong to lower income households, economically weaker sections, mostly in the informal sector across semi-urban and rural geographies apart from peripheries of metros and urban cities.

For lead generation, our customer relationship managers carry out open market campaign activities by using various types of marketing collaterals in catchment areas of our Branches and also encourage staff or existing customers for referrals.

Credit Approval and Disbursement Process

Our relationship officers conduct the initial filtering as per product eligibility. If the basic eligibility requirement is met, the relationship officers will collect KYC documents along with the loan application form. The credit team proceeds for bureau and dedupe check for further proceedings. The complete set of files as per the login checklist with full information and documents is then handed over to the credit underwriting team for checking.

The credit assessment process for the score approved applicants begins with the credit underwriting team initiating the checks by the fraud control unit and the legal, technical and customer profile validation approval processes. The credit underwriting team carries out visits to the customer's business/employment and house for personal discussion, does reference check and underwrites the case. A credit analysis memorandum is prepared by the credit underwriting team and sent for sanctioning to the appropriate credit authority.

Post-sanction, the title deeds will be collected from the mortgagor as per the legal advice and an acknowledgement will be given to the mortgagor by the authorized bank official. All relevant documentations are prepared and signed by the applicants and bank officials. The credit team will go through the credit checklist, upload the documents and send to the central processing centre team.

When the sanction process is completed, the central processing centre team carries out the collateral details entry in our core banking system, books the loan and transfers the loan amount to the applicant's bank account.

Loan Collection and Monitoring Process

The loans are repayable monthly, with payment made through NACH or a standing instruction mandate.

MSME Loans

Our MSME loans are aimed at supporting small businesses in their growth phase by offering credit facilities for business purposes, including business expansion, working capital requirements, the purchase of plant and equipment and other long-term business requirements, such as the extension of offices or homes. Our MSME product range includes term loans and overdraft facilities.

We also offer secured plus business loans designed to help business owners with the expansion of their existing businesses and achieve long-term business goals. This is a term loan facility for business owners to create long-term income generating assets for their business. The minimum loan amount is ₹0.50 million and the maximum amount is ₹75.00 million. The loan tenure is up to 15 years.

The loans are secured by mortgage of land, residential or commercial property or other approved collateral security. The below table sets forth the average loan to collateral value ratio for new MSME loans as at the date indicated.

Particulars	As at September 30,	As at March 31,		
	2023	2023	2022	2021
Average loan to collateral value ratio for	41.47%	41.79%	44.43%	49.29%

Particulars	As at September 30,	As at March 31,		
	2023	2023	2022	2021
new MSME loans				

The eligibility for MSME loans is computed based on the lower of the debt burden ratio or the loan to collateral value ratio.

Customers

The MSME loans are extended primarily to the underbanked and underserved micro and small enterprises segment. The target customers are self-employed non-professionals in the manufacturing, trading, retail and service sectors as well as self-employed professionals. MSME loans are granted mostly to businesses having a minimum of three years of operations for enterprise loans and five years of operations for business loans.

Customer sourcing is performed by the sales team executives from a target customer base of manufacturers, traders, retailers, service providers with their constitution being individuals, proprietorship or partnership.

Credit Appraisal and Disbursement Process

Know-your-client information of the applicant (entity), co applicant, and guarantor are first captured by the customer relations sales executives. This includes proof of registration of the business entity, such as by-laws, GST Registration, IT Registration or PAN of the entity. A CERSAI search is performed by the credit team prior to sanction of proposal in order to ensure no charge exists on the property being taken as collateral. A minimum of 13 years' title search and encumbrance certificate are required to establish good title over the property to be taken by us as collateral for the loan. Original title documents are vetted by a panel lawyer before disbursement. As part of the credit underwriting process, there are mandatory CIBIL and CRILC (if the loan is above ₹10 million) checks, fraud control unit check, and residence and collateral are visited by the credit team. Bureau data, banking statements, GST returns and financials are reviewed to assess needs, eligibility and loan quantum.

Funds are disbursed to the primary account of the borrower.

Loan Collection and Monitoring Process

The loans are repayable either weekly or monthly with payment made through NACH or standing instruction mandate. Standing instructions/drawdown from current account opened with us is the primary mode of payment. NACH serves as secondary repayment mode. It would be utilized in scenarios of SI/drawdown failures. For larger loans, i.e. loans greater than ₹20.00 million), a quarterly review of internal and external performance is done, which forms part of the account strategy.

Affordable Housing Loans

In line with the Government's vision of "Housing for All" and to increase the availability of credit in affordable housing space, we launched affordable housing loans in October 2018. We provide loans for home purchase, home construction/repair and for re-financing existing loans from other lending institutions. We started this business in three states in 2018 and based on experience and learning, we expanded the business in a phased manner.

Housing loans are given for repairs, refinance, renovation, construction or purchase of homes. All property owners are required to be co-borrowers for the loan. All loans are secured by a mortgage of the property. The loan amount ranges between ₹0.05 million to ₹5.00 million, with tenure ranging from three years to 30 years. Loans beyond ₹5.00 million can be approved based on internal deviation approval matrix of our Bank. The interest rates are fixed for the first three years and three months and then becomes a floating interest rate based on agreed margin agreed on T-bill rate as per sanction conditions. We charge a 2% processing fee of the loan amount. As at September 30, 2023, our maximum loan to collateral value ratio for new loans goes up to a maximum of 90% as per an approved grid and in line with regulatory norms.

The affordable housing loans were launched in Karnataka, Tamil Nadu and Maharashtra in August 2018. Thereafter, we expanded to Gujarat in February 2019. We currently offer this product in 12 states and two union territories, i.e., Karnataka, Tamil Nadu, Maharashtra, Gujarat, Madhya Pradesh, Chhattisgarh, Rajasthan, Punjab, Haryana, Delhi, Uttar Pradesh, Uttarakhand, Pondicherry and Chandigarh.

Customers

Our target customers are the underserved as well as the higher segment of customers with higher cash flows.

For leads generation, our customer relationship officers carry out the promotional activities by using various types of marketing collaterals. The main techniques used for lead generation are open market campaigning in catchment areas where our sales and credit officers are located, and Branches and getting referrals from our staff or existing customers. The leads, once identified, are listed in a branch-based register or online tracker and are periodically tracked by the zonal heads and the national sales manager.

Credit Approval and Disbursement Process

Our relationship officers conduct the initial basic filtering as per product eligibility. If the basic eligibility requirement is met, the relationship officers will collect KYC documents along with the loan application form. The credit team proceeds for bureau and dedupe check. The completed login checklist with full information and documents is then handed over to the credit underwriting team for checking.

Post the initial bureau check and score qualification, the credit underwriting process begins with the credit underwriting team initiating fraud control unit checks, legal, technical and customer profile validation approval processes. The credit underwriting team carries out visits to the customer's business/employment and house for personal discussion, does reference check and underwrites the case. A credit analysis memorandum is prepared by the credit underwriting team and sent for sanctioning to appropriate credit authority.

Post-sanction, all relevant documentations are prepared and signed by the applicants and bank officials. The credit team will go through the credit checklist, upload the documents and send to the central processing centre team.

When the sanction process is completed, the central processing centre team carries out the collateral details entry in our core banking system, books the loan and transfers the loan amount to the applicant. After disbursement, the title deed is collected from the land authority as per legal advice and an acknowledgement is given to the mortgagor by the authorized bank official.

Loan Collection and Monitoring Process

The loans are repayable monthly, with payment made through NACH or a standing instruction mandate.

Term loans to NBFCs

We offer credit limits to NBFCs in the form of term loan and overdraft limits based on their financial assessment. Our highly personalised service, digital ancillary product offerings and quick turn-around time of decision making are noteworthy differentiators for our customers. These loans are secured by the collateral of receivables of the NBFC.

We provide term loans to NBFCs for onward lending. Such loans are provided after due diligence on the NBFCs' business model and other factors, such as experience of the board and management and segments that the NBFC lends to.

Credit Appraisal and Disbursement Process

Once the initial due diligence is done, a detailed information pack is submitted by the NBFC which includes trends of annual performance based on information from the audited financials as well as recent management accounts including financial information, collection information, disbursement trends, and account ageing information. Based on this information and after clarifying reasons for underlying trends, a credit assessment memo is prepared by the credit team, with detailed justifications for credit extension, quantum and other terms together with appropriate financial and information covenants. The credit is approved by the appropriate credit authority. Once the terms are agreed by the borrower, documents are executed and the funds are disbursed to the borrower's bank account.

Loan Monitoring Process

Post disbursement monitoring includes periodic requirement of submission of management accounts from the borrower to understand recent performance and to test covenant compliance. The updated financial information is reviewed together with the status of covenant compliance, and appropriate remedial action is taken based on the discrepancies.

Loans against Fixed Deposits

We offer loans or overdraft facilities to existing customers (both individuals and entities) having a fixed deposit account with our Bank. The loan amount is capped at 95% of the amount of the fixed deposit at the time of disbursement. The loan is secured against the fixed deposit. The interest rate on the loan is the interest rate on the fixed deposit plus up to 2% per annum. Advances are only made to the customer in whose name deposits stand. The tenure is between three months and one year and the limit expiry date cannot be set beyond the maturity date of the fixed deposit.

We started loans against fixed deposits in September 2018.

Credit Appraisal and Disbursement Process

To avail the facility, the customer must open a mandatory savings account (for individuals) and current account (for entities). After the Branch receives an application from existing fixed deposit customers for overdraft facility, based on the LTV ratio and sanction limit, a recommendation note is placed by the Branch manager to the sanctioning authority for the limit of the overdraft facility.

A lien on the fixed deposit is created by the central processing centre. After limit setup of the overdraft facility is completed by central processing centre, the branch issues the sanction letter to the customer.

Loan Collection and Monitoring Process

The customer of the overdraft facility is required to service interest on a monthly basis. The outstanding amount at any point of time should not exceed the fixed deposit (surrender value) amount. In the event the customer fails to pay the amount outstanding on the loan/overdraft facility including any fees, charges or any other amount levied by our Bank, our Bank will close the account by liquidating the fixed deposit within 60 days from due date. The entire communication to the customer in the event of default is handled by the centralised communication team.

The customers can also submit application to one of our Branches for closure of the overdraft facility if they wish to initiate the closure. The Branch will inform the customer on the closure amount for the overdraft facility and request the customer to make payment. After the closure amount is received, the Branch will proceed with the closure of the overdraft facility.

Two-Wheeler Loans

We launched our two-wheeler loan business in November 2020 initially for our employees and have subsequently extended it to customers. We offer the loan to purchase motorcycle or scooter.

The maximum loan-to-ratio is defined for various customer segments and is currently capped at 95%. There is no regulatory restriction on the LTV ratio for two-wheeler loans.

As at September 30, 2023, the key loan parameters for two-wheeler loans were as follows:

Loan Parameter	Minimum Value	Maximum Value
Loan amount (₹)	10,000	350,000
Loan tenure (months)	6	48
Processing fee for non-employees (% of loan amount), excluding GST and other taxes*	0%	5%
Processing fee for employees (% of loan amount), excluding GST and other taxes*	0%	0%

Note:

* *In addition to the processing fee, we also charge administration and documentation charges.*

Customers

We cater these loans to existing customers, new customers and our employees. Individuals between 18 to 60 years of age are eligible to avail these loans. The loan is also available to customers that are companies, partnerships or sole proprietorships.

Credit Approval and Disbursement Process

First credit validation done for any enquiry is the credit bureau check. The proposals meeting the credit bureau acceptance criteria of the bank are taken up for preliminary checks and documentation. Post the clearance of bureau criteria, customer dedupe, AML and online background checks are done. Based on the combination of residence ownership status and bureau score, decision on contact point verification is initiated. Contact point verification is conducted by reputed and empanelled third-party associate. Post the successful checks on these parameters, a credit decision on sanction amount is taken (basis the segment wise loan-to-value grid). The customer and dealership are informed of our Bank's credit decision basis which the dealer proceeds with initial payment, balance documentation, agreement execution and delivery of the vehicle. The repayment of the loan is through standing instructions on Jana bank account or NACH/e-NACH from customers' bank accounts.

The funded vehicles are hypothecated to our Bank and the registration certificate with hypothecation is obtained as post disbursement document within the defined timeframe as per our Bank's policy.

Loan Collection and Monitoring Process

We do the welcome calling for all customers post disbursement. Customer communication through SMS and phone calls is done at pre-EMI presentation stage to advise the customer to keep the bank account sufficiently funded.

The customer receives bank message on successful clearance of the EMI. In the case of the EMI dishonour, our Bank contact centre will call the customer for payment of outstanding dues including applicable bounce charges. On continuous non-payment, our collection team will get in touch with the customer for clearance of overdue loans.

In case of continued non-payment, our Bank will initiate legal actions including loan recall notices. Our Bank can initiate the vehicle repossession as per contracted loan agreement conditions.

On completion of the loan tenure and/or payment of all the loan dues, our Bank will send across loan clearance documents (including no objection certificate and necessary regional transport office forms to remove hypothecation from registration certificate) to the customer's registered address.

Gold Loans

Gold loans are short-term loans offered against the pledge of gold ornaments of 18 karat to 22 karat. Gold loans can be used for agricultural purposes, educational expenditure, business purposes, medical emergency and other personal needs. The interest rate is fixed. The minimum loan amount is ₹10,000 and the loan tenure is from three months to 12 months. As at September 30, 2023, our maximum LTV ratio for new gold loans was 75% (except for agri gold loans, which had a maximum LTV of 80%). As at September 30, 2023, the maximum LTV ratio for gold loans permitted under RBI guidelines was 75%, except for agri gold loans, for which there is no maximum LTV ratio.

We started disbursing gold loans in August 2017 in two states. As at September 30, 2023, we offered gold loans in 22 states and one union territory and across 440 Branches.

Customers

The target segment of gold loans is individuals that are Indian citizens aged between 18 to 79 years old and small business owners in urgent requirement of cash.

Lead generation takes place through our customer relations team, business development executives, customer referrals, walk-ins to our Branches, employee referral, cross-selling by other verticals, and our existing customers.

Credit Approval and Disbursement Process

Once the customer makes an application for a gold loan at one of our Branches, our operations team is in charge of the entire loan process. The operations team validates the data entered by the gold appraiser in the estimation slip. The sanctioning authority cross-checks/verifies and ensures that there are no data capture issues. A credit bureau report check is mandatory. Our valuation process and quick turnaround leveraging our digitalisation have reduced our gold loan disbursal turnaround time.

Field inspection is applicable for gold loans. Based on the field inspection report, loan applications are approved or rejected.

Loan Collection and Monitoring Process

For bullet repayment variant, on the maturity date, customers must pay the outstanding principal along with interest. The mode of repayment is cash or NACH. For the monthly interest collection variant, the interest component is serviced every month while the principal component is serviced on the last instalment date. Repayment is made via cash at one of our Branches or NACH.

Unsecured Advances

All of the unsecured advances we currently offer are Microfinance Loans.

Individual Loans

We offer individual loans to existing customers who exhibit a persistent repayment track record on their existing group/individual loans with our Bank. There are variants within this loan product depending upon the loan purpose, nature of business/job of the borrower/co-borrower and loan cycle (exhibiting duration of clear track record with our Bank). Our individual loans are broadly divided into three categories: (i) individual loans for home improvement/repair; (ii) individual loans for school fees; and (iii) individual personal loans for purposes such as debt consolidation, family function, incidental expenses and business purpose.

The loan amount range and documentation required depends on the loan purpose. However, an independent service visit for personal discussion by our field service executive is mandated for individual loans, primarily to assess the cash flows, establish residence stability and to gather references from the applicant's neighbours.

We use a digital process (mobile/tablet/desktop-based applications) for sourcing, underwriting, sanction, disbursement and collections.

As at September 30, 2023, our key loan parameters for individual loans were as follows:

Loan Parameter	Minimum Value	Maximum Value
Loan amount (₹)	30,000	150,000
Loan tenure (months)	24	36
Processing fee (% of loan amount), excluding GST and other taxes	2%	2%

Since the customers of individual loans are our existing customers, KYC documents are not required, unless the customer has shifted her/his address or there have been changes in the customer's KYC information. Additional documents are required depending upon the loan purpose (e.g., home ownership document for home improvement/repair purpose).

The first-time individual loan borrowers are given lower amounts while repeat loan customers are sanctioned higher amounts once they have established their repayment capacity outside the JLG framework in individual loans.

Co-borrower/guarantor is mandatory for individual loans. This product has a monthly EMI repayment schedule and establishing an automated electronic payment mechanism (NACH/eNACH/Standing Instructions) is mandatory for loan EMI payments.

Customers

Our target customers for our individual loans are our existing group loan customers. We reward good repayment behaviour by offering them higher loan amounts with longer tenures and competitive interest rates outside the JLG framework. For individual business purpose loans, the customers must have been successfully running the business in the last two years.

While the customer profile remains similar to group loan, individual loan customers have higher household incomes and are usually involved in small businesses. Some of these businesses were started by these customers using the proceeds of our earlier provided group loans disbursement, indicating that they have moved up the economic ladder.

Credit Approval and Disbursement Process

The credit underwriting process helps in establishing the financial ability/soundness of the customer. We use a higher level of credit scrutiny compared to group loans given that the loan amounts are relatively higher, and there is an informal nature of the customer's income and a lack of group guarantee.

Since individual loan customers have graduated from group loan, basic risk mitigation measures such as e-KYC authentication and biometric capture would already have been applied at the time of the group loan application. There are certain control measures that are re-initiated during the individual loan process for risk control, including:

i. Customer authentication using mobile one time password ("**OTP**") validation.

ii. Geo-tagging of each customer.

iii. Credit bureau check on each customer.

iv. Contact point verification, income assessment and neighbour checks by a field service executive.

v. Customer deduping and AML screening.

vi. Rule-based auto underwriting (using a scorecard and rules around the most recent delinquency and the frequency and severity of delinquencies) and sanction.

vii. Confirmatory meeting borrower and co-borrower by one of our branch resources at pre-disbursement stage.

viii. Mandatory registration NACH / SI (of borrower/co-borrower) for EMI repayment before disbursement.

ix. Mandatory fund transfer of disbursement amount to the customer's bank account, with no disbursements made in cash.

Loan Collection and Monitoring Process

A separate collection resource is available at each branch for individual loans. Individual loan customers are encouraged to pay their EMIs through their bank accounts by registering a NACH mandate. This helps to keep the cost of collection under control.

For cash collections, the collector follows the same process and systems as group loans and has the same facility of depositing the cash either in the branch or at specified cash burial points.

Agricultural and Allied Loans (Group and Individual)

Agricultural and allied loans are offered to borrowers who are engaged in agriculture and/or allied activities. These loans are offered for the purchase of agriculture inputs (such as seeds, fertilizers, agro-chemicals, payment of agri-related expenses and charges) and meeting capital expenditure needs such as for the purchase cattle and for other allied/ancillary activities (e.g., cattle shed construction/renovation and the purchase of feed and fodder). These loans are offered both to individuals and to groups of customers. We offer these loans to a multitude of customers segments including small and marginal farmers, dairy farmers, landless agri-labourers and shared croppers. The group variant of the product is offered based on the JLG model (with group guarantees).

Agricultural and allied loans were launched in November 2015. As at September 30, 2023, we provided these loans from 527 banking outlets, of which 244 were in unbanked rural centres.

As at September 30, 2023, our key individual loan parameters for agricultural and allied loans were as follows:

Loan Parameter	Minimum Value	Maximum Value
Loan amount (₹)	26,000	150,000
Loan tenure (months)	12	36
Processing fee (% of loan amount), excluding GST and other taxes	2%	2%

As at September 30, 2023, our key group loan parameters for agricultural and allied loans were as follows:

Loan Parameter	Minimum Value	Maximum Value
Loan amount (₹)	30,000	75,000
Loan tenure (months)	12	24
Processing fee (% of loan amount), excluding GST and other taxes	2%	2%

Customers

Agricultural and allied loans are designed to cater to the financing needs of existing customers or new customers engaged in agricultural business and other allied activities, who have been residents of the village/city for a minimum of two years and have an agricultural set-up. The group loan is offered to existing customers that constitute a group of minimum three members and a maximum of 25. The loan is offered for purchase of farming equipment, cattle (cows and buffalos) and financing other ancillary needs like cattle shed construction, renovation, feed/fodder purchase, horticulture, poultry, goat gearing, piggery, sericulture, and apiculture.

The sourcing of customers for this product is significantly digitized from lead capture to enrolment including e-KYC to handling of field level checks/verification to sanction and disbursement. Loans are disbursed into the bank account of the customer.

Credit Approval and Disbursement Process

The credit approval and disbursement process is similar to group loans. See "*-Group Loans – Credit Approval and Disbursement Process*" on page 281.

Loan sanction is automated and after the sanction of the loan, the operations team downloads the disbursement kit from the customer relationship management system and assists the customers to execute the disbursal documentation.

Loan Collection and Monitoring Process

The collections process is similar to that for group loans. See "*-Group Loans – Loan Collection and Monitoring Process*" on page 281. We collect loan instalment payments on a fortnightly and monthly basis.

Group Loans

Group loans are unsecured loans designed to cater to the financial requirements of women, especially the underserved and underbanked who do not have access to formal credit, thus driving our financial inclusion objectives. This product is offered to a group of women as per the JLG model. Group loans serve as an entry product for our customers who do not have any formal documented income. New borrowers (especially new to credit) borrower are on boarded with lower loan amounts. Good repayment behaviour on a group loan by a borrower leads to future eligibility of loans with a higher credit limit and access to other loan products, including individual loans. These loans are provided on the basis of declared income and group guarantees. The income assessment and debt burden assessment is performed to identify the indebtedness of the customer's household according to the guidelines of the circular on micro-finance loans issued by RBI on March 14, 2022. The product is designed for borrowers at the lower end of economic strata who do not have formal income documents, do not have access to formal credit and are between 18 to 58 years old.

The loans are offered for income generation, business expansion, home renovation, debt consolidation and for general consumption.

We started providing group loans in 2006 as an NBFC and this product offering has evolved from a basic paper-based and manually underwritten loan in 2006 to a fully digital, e-KYC based, auto under-written and cashless disbursement product now.

As at September 30, 2023, the key loan parameters for group loans are as follows:

Loan Parameter	Minimum Value	Maximum Value
Loan amount (₹)	26,000	75,000

Loan Parameter	Minimum Value	Maximum Value
Loan tenure (months)	24	24
Processing Fee (% of loan amount), excluding GST and other taxes	2%	2%

Customers

This is a JLG loan product, wherein loans are provided to groups of women, usually staying in the same locality for defined time period, providing joint liability guarantee for each other. The product is generally targeted at lower income group women who run businesses, fulfils KYC documents requirements, is between 18 to 58 years old and does not have an adverse credit record.

Apart from lending to existing customers, new customers are sourced through area surveys conducted by the customer relations executive sales team. The area heads approach households in the surveyed area, distribute brochures and inform the households about the various types of loans offered.

Our current strategy on group loans is to increase our penetration in rural and semi-urban geographies. Our ongoing focus is to motivate and inspire our customers to keep their repayment track clean in order to avail of subsequent group loan cycles (repeat loans).

Credit Approval and Disbursement Process

Customers offered group loan are usually new to formal credit and have limited or no income documentation. At times, these customers approach us to start a new income generation (business) activity. Our underwriting process for these JLG loans is done based on a combination of factors including:

i. Customer authentication using mobile OTP validation and biometric based e-KYC.

ii. Capture of biometric of the customers which includes latitude longitude details for authentication.

iii. Credit bureau check for the customers.

iv. Field verification of each customer by sales personnel and batch verification by area head.

v. Contact point verification by a field service executive.

vi. Rule based auto underwriting and sanction.

vii. Confirmatory meeting of full group by a branch resource at pre-disbursement stage.

viii. OTP and biometric authentication-based disbursement.

Loan Collection and Monitoring Process

While we attempt to educate and convince our customers to use digital payment methods for their loan EMI payment, a large portion of customers prefer paying EMIs in cash. We have well-defined systems, structures and processes for managing cash EMI collections supported by digital tools.

We have separate collection staff at each branch. These resources have tab-based / mobile-based collection App which provide the collection receipt/confirmation to the customers as soon as the EMI amount is received by them.

Every meeting centre and each borrower in the meeting centre is provided a fixed schedule for loan EMI payment. Our Bank's collection executive visits the group according to a schedule and all customers (group members) are expected to be ready on schedule with their payable EMI amount. If one of the group members is not present or unable to pay the EMI for the month, the remaining group members are liable to pay her EMI (under the group guarantee agreement).

The collector deposits the collected amount at the mapped bank branch and also has the option of depositing it at the specified cash deposit points. While the collection executive settles the collection amount once a day, there are defined norms on maximum cash that the executive can accumulate. On reaching the defined threshold, the collection executive is expected to do an intra-day settlement and will not able to collect any further amounts from the customers until the settlement is completed.

Advances Portfolio

The table below sets forth the disbursement of our advances by product category (except loans against fixed deposits) for the periods and years indicated.

Disbursement of Advances	**Half year ended September 30,**				**Year ended March 31,**					
	2023		**2022**		**2023**		**2022**		**2021**	
	Amount (₹ in millions)	**% of Total**	**Amount (₹ in millions)**	**% of Total**	**Amount (₹ in millions)**	**% of Total**	**Amount (₹ in millions)**	**% of Total**	**Amount (₹ in millions)**	**% of Total**
Secured advances:										
MSME loans(1)	18,524.86	15.30	10,948.52	16.79	21,569.08	14.56	17,800.00	15.36	9,008.45	11.82
Micro LAP	4,573.64	12.13	8,243.00	12.64	19,300.33	13.03	14,400.00	12.43	6,401.54	8.40%
Affordable housing loans	10,202.21	12.12	7,372.10	11.31	17,277.40	11.66	9,890.00	8.54	6,853.97	8.99
Term loans to NBFCs	5,575.00	6.62	5,205.00	7.98	11,934.00	8.06	9,060.00	7.82	6,282.50	8.24
Gold loans	2,450.94	2.91	2,938.15	4.51	6,204.17	4.19	7,010.00	6.05	14,111.84	18.51
Two-Wheeler Loan	1,785.15	2.12	879.41	1.35	2,022.03	1.37	1,380.00	1.19	111.77	0.15
Total disbursement of secured advances	***43,111.80***	***51.21***	***35,586.18***	***54.58***	***78,307.01***	***52.87***	***59,540.00***	***51.39***	***42,770.08***	***56.10***
Unsecured advances:										
Individual and micro business loans	20,693.48	24.58	14,775.38	22.66	37,294.50	25.18	31,502.61	27.19	6,607.39	8.67
Agricultural and allied loans(2)	18,231.23	21.66	12,829.42	19.68	28,275.09	19.09	14,830.00	12.80	7,986.75	10.48
Group loans	2,145.77	2.55	2,013.18	3.09	4,240.58	2.86	9,990.00	8.62	18,880.41	24.76
Total disbursement of unsecured advances	***41,070.48***	***48.79***	***29,617.98***	***45.42***	***69,810.17***	***47.13***	***56,322.61***	***48.61***	***33,474.54***	***43.90***
Total disbursements of advances	**84,182.28**	**100.00**	**65,204.16**	**100.00**	**148,117.18**	**100.00**	**115,862.61**	**100.00**	**76,244.62**	**100.00**

Notes:

1. *Excludes disbursements for overdraft loans.*
2. *Includes loans purchased under Direct Assignment.*

The table below sets forth the average tenure in months of our disbursed advances by product category for the periods and years indicated (except loans against fixed deposits, as this is dependent on the underlying fixed deposits).

Category of advance	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(average tenure in months)				
MSME loans(1)	117	92	109	100	91
Micro LAP	105	120	116	64	90
Affordable housing loans	178	178	177	167	173
Term loans to NBFCs	25	26	25	50	26
Gold loans	4	4	4	4	7
Two-wheeler loans	28	28	28	27	26
Individual and micro business loans	26	25	25	25	24
Agricultural and allied loans	24	24	24	24	24
Group loans	24	24	24	24	24

Note:

1. *Includes micro housing loans.*

The table below sets forth the average amount (commonly referred to as "ticket size") of our disbursed advances by product category for the periods and years indicated (except loans against fixed deposits**,** as this is dependent on the underlying fixed deposits.

Category of advance	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)				
MSME loans(1)	3.40	3.25	3.32	3.33	1.89
Micro LAP	0.95	1.13	1.08	0.38	0.71
Affordable housing loans	1.26	1.30	1.32	1.22	1.31
Term loans to NBFCs	278.75	306.18	288.90	197.28	195.53
Gold loans	0.04	0.04	0.04	0.04	0.06
Two-wheeler loans	0.09	0.08	0.08	0.08	-
Individual and micro business loans	0.07	0.06	0.06	0.05	0.05
Agricultural and allied loans	0.05	0.05	0.05	0.05	0.05
Group loans	0.04	0.04	0.04	0.04	0.04

Note:

1. *Includes micro housing loans.*

The table below sets forth the number of our disbursed advances by product category (except loans against fixed deposits, as this is dependent on the underlying fixed deposits) for the periods and years indicated.

Category of advance	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
MSME loans(1)	5,448	3,369	6,493	5,339	4,755
Micro LAP	4,814	7,313	17,864	37,610	9,074

Category of advance	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
Affordable housing loans	8,103	5,655	13,088	8,087	5,226
Term loans to NBFCs	20	17	41	46	32
Gold loans	55,015	75,744	144,670	176,731	236,146
Two-wheeler loans	20,662	10,585	23,949	17,394	1,354
Individual and micro business loans	287,094	262,925	627,065	624,621	132,821
Agricultural and allied loans	372,065	279,811	577,294	323,202	158,786
Group loans	49,287	46,744	104,017	232,969	450,986

Note:

1. *Includes micro housing loans.*

The following table presents our sector-wise outstanding gross advances and the proportion of these advances to our outstanding advances as at the dates indicated.

Gross advances	As at September 30, 2023		As at March 31,					
			2023		2022		2021	
	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total
Agricultural and Allied Activities[(1)]	48,547.29	22.74%	41,901.73	23.28	25,320.20	19.11	16,202.09	13.69
Advances to Industry Sector	17,470.46	8.18%	13,182.55	7.32	10,199.56	7.70	5,787.63	4.89
Advances to Services Sector	61,533.67	28.83%	49,436.93	27.46	31,388.65	23.69	24,105.91	20.36
Personal Loan and Others	85,919.88	40.25%	75,486.20	41.94	65,594.79	49.50	72,294.19	61.06
Total Gross Advances	**213,471.30**	**100.00%**	**180,007.41**	**100.00**	**132,503.20**	**100.00**	**118,389.82**	**100.00**

Note:

1. Includes loans purchased under Direct Assignment.

Concentration of Advances and Credit Substitutes by Industry/ Economic Activity

Pursuant to RBI guidelines, exposure ceilings are 15.00% of Tier 1 Capital in the case of a single borrower and 40.00% in the case of a borrower group. For NBFC lending, the limits are 15% of Tier 1 capital for an individual borrower subject to the 25% overall limit to group entities (gold loan NBFCs have a more stringent limit of 7.5% of capital funds). RBI norms specify exposure to capital market, real estate, sensitive commodities listed by the RBI, venture capital funds, stockbrokers, financing for acquisition of overseas entities, and credit to overseas joint ventures. For further information, see "*Key Regulations and Policies*" on page 313. We have a well-diversified portfolio. The table below sets forth the maximum exposure to a single borrower and the maximum exposure to a group as at the dates indicated.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	% of Gross Advances	% of Gross Advances	% of Gross Advances	% of Gross Advances
Maximum exposure to a single borrower [(1)]	0.44%	0.54%	0.56%	0.42%

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	% of Gross Advances	% of Gross Advances	% of Gross Advances	% of Gross Advances
Maximum exposure to a group (2)	0.44%	0.54%	0.56%	0.42%

Notes:

1. *"Exposure" means advances that comprise credit exposure (funded and non-funded credit limits) including derivative transactions, if any, computed as per current exposure method in accordance with RBI guidelines.*
2. *"Exposure" and "Group" as per the as per the RBI Master Circular on Exposure Norms (DBOD. No. Dir.BC.12/13.03.00/2015-16) dated July 1, 2015.*

Regional Concentration of Gross Advances

The following table presents an analysis of our gross advances by region and state/union territory as at the dates indicated:

Region	State / Union Territory	As at September 30, 2023		As at March 31,					
				2023		2022		2021	
		Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total
Western	Maharashtra	26,197.56	12.27	23,185.90	12.88	19,336.86	14.59	17,613.26	14.86
Western	Gujarat	18,232.79	8.54	15,618.41	8.68	10,493.51	7.92	8,277.76	6.98
Western	Goa	-	-	0.64	0.00	1.47	0.00	1.33	0.00
Southern	Tamil Nadu	29,478.39	13.81	24,664.47	13.70	22,512.89	16.99	23,046.35	19.45
Southern	Karnataka	25,954.71	12.16	20,173.73	11.21	18,496.28	13.96	21,279.90	17.96
Southern	Telangana	1,761.49	0.83	1,041.70	0.58	108.86	0.08	354.80	0.30
Southern	Puducherry	2,060.94	0.97	1,890.73	1.05	1,626.28	1.23	1,759.96	1.49
Northern	New Delhi	10,332.07	4.84	9,576.88	5.32	5,624.39	4.24	3,590.41	3.03
Northern	Uttar Pradesh	13,376.07	6.27	9,709.97	5.39	4,236.08	3.20	1,599.35	1.35
Northern	Haryana	9,113.37	4.27	8,448.05	4.69	6,074.14	4.58	5,600.59	4.73
Northern	Punjab	5,398.53	2.53	5,041.12	2.80	2,843.94	2.15	2,625.83	2.22
Northern	Rajasthan	13,247.05	6.21	10,889.70	6.05	8,063.49	6.09	4,837.86	4.08
Northern	Madhya Pradesh	15,978.66	7.49	13,500.30	7.50	9,748.56	7.36	8,234.77	6.95
Northern	Chandigarh	373.26	0.17	402.59	0.22	211.32	0.16	118.70	0.10
Northern	Uttarakhand	1,108.70	0.52	1,010.72	0.56	323.18	0.24	53.96	0.05
Northern	Chhattisgarh	4,096.05	1.92	3,777.36	2.10	2,843.46	2.15	2,269.54	1.92
Eastern	West Bengal	10,220.50	4.79	8,947.07	4.97	7,709.10	5.82	7,162.97	6.04
Eastern	Assam	1,617.18	0.76	1,360.97	0.76	1,352.01	1.02	1,724.08	1.45
Eastern	Odisha	10,726.29	5.02	9,133.41	5.07	4,785.17	3.61	3,592.23	3.03
Eastern	Bihar	10,840.88	5.08	8,550.41	4.75	3,963.32	2.99	3,111.72	2.63
Eastern	Jharkhand	2,630.33	1.23	2,321.54	1.29	1,628.67	1.23	1,564.03	1.32

Region	State / Union Territory	As at September 30, 2023		As at March 31,					
				2023		2022		2021	
		Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total
Eastern	Sikkim	80.61	0.04	83.11	0.05	76.35	0.06	93.75	0.08
Eastern	Tripura	645.88	0.30	678.62	0.38	443.93	0.34	-	-
Total		**213,471.30**	**100.00**	**180,007.41**	**100.00**	**132,503.20**	**100.00**	**118,389.82**	**100.00**

Priority Sector Lending

Small Finance Banks in India are required to lend, through advances or investment, 75% of their adjusted net bank credit ("**ANBC**") or credit equivalent amount of off-balance sheet exposures, whichever is higher, to specified sectors known as "priority sectors", subject to certain exemptions permitted by RBI from time to time. Priority sector advances include advances to agriculture sector, micro and small enterprises, weaker sections, housing and education finance up to certain ceilings.

We are required to comply with the priority sector lending requirements on a quarterly basis, based on quarterly averages. Any shortfall in the amount required to be lent to the priority sectors is required to be deposited with the Rural Infrastructure Development Fund established by NABARD or funds with other financial institutions as specified by the RBI, which generally provide for lower than market interest rate. Therefore, if we are unable to meet the priority sector lending requirements, it could have an adverse effect on our results of operations.

The tables below set out our outstanding priority sector total gross advances (as defined by the Government and the RBI) by sector, our ANBC and each sector as a percentage of our ANBC as at the dates indicated.

Priority Sector	As at September 30, 2023		As at March 31,					
			2023		2022		2021	
	Amount (₹ in millions)	% of ANBC[(1)]	Amount (₹ in millions)	% of ANBC [(1)]	Amount (₹ in millions)	% of ANBC [(1)]	Amount (₹ in millions)	% of ANBC[(1)]
Agricultural and Allied Activities[(2)]	29,546.60	25.88	38,650.01	31.57	24,463.23	20.64	16,203.32	16.64
Advances to Industry Sector	10,124.40	8.87	18,889.01	15.43	9,946.31	8.39	3,555.54	3.65
Advances to Services Sector	21,413.00	18.75	17,405.71	14.22	8,408.57	7.10	7,970.08	8.18
Personal Loans and Housing Loans	65,476.80	57.34	44,841.54	36.63	45,836.70	38.68	55,460.74	56.94
Gross advances to the priority sector	**126,560.80**	**110.84**	**119,786.27**	**97.85**	**88,654.80**	**74.81[(3)]**	**83,189.68**	**85.41**
ANBC Amount	**114,186.00**		**122,420.00**		**118,513.00**		**97,396.66**	

Notes:

1. *ANBC represents gross advances less bills re-discounted and other permissible reductions as per the RBI guidelines, and increased by bonds/debentures in investments eligible by priority sectors.*
2. *Includes loans purchased under direct assignment.*
3. *Although this percentage is less than the required 75% of ANBC, we were not in breach of our priority sector lending requirements as our quarterly average as at the date was at least 75% of our ANBC.*

Analysis of Non-Performing Advances by Industry Sector

The table below sets forth our gross non-performing advances by the borrower's industry or economic activity as at the dates indicated.

Particulars	As at September 30, 2023		
	Gross NPA	Provision	% of NPA in Industry
	(₹ in millions, except percentages)		
Agriculture and Allied Activities	826.66	809.48	1.70
Industry	538.93	110.05	3.18
Services	1,348.03	531.22	2.39
Personal and Others (includes housing loans)	2,499.52	1,933.45	3.29
Total	5,213.14	3,384.20	2.61

Particulars	As at March 31,								
	2023			2022			2021		
	Gross NPA	Provision	% of NPA in Industry	Gross NPA	Provision	% of NPA in Industry	Gross NPA	Provision	% of NPA in Industry
Agriculture and Allied Activities	1,254.70	442.45	2.99	1,566.46	500.09	6.19	1,529.47	488.32	9.44
Industry	164.85	24.89	1.25	97.05	26.86	1.02	502.31	201.70	6.11
Services	1,053.53	346.18	2.13	481.79	133.22	3.06	971.76	249.28	8.17
Personal and Others (includes housing loans)	4,618.79	1,598.34	6.12	5,423.74	1,776.29	10.29	5,576.23	1,454.84	8.08
Total	**7,091.87**	**2,411.86**	**3.94**	**7,569.04**	**2,436.46**	**5.71**	**8,579.84**	**2,393.09**	**7.24**

Analysis of our gross NPA Portfolio by Category of Advance

Category of advance	As at September 30, 2023			As at March 31, 2023		
	Gross Advances	% of Gross Advances	Gross NPAs	Gross Advances	% of Gross Advances	Gross NPAs
Secured advances:						
MSME loans	31,234.90	14.63	981.87	26,130.77	14.52	548.82
Affordable housing loans	29,592.25	13.86	418.54	23,812.33	13.23	56.52
Micro LAP	38,708.74	18.13	567.51	28,070.66	15.59	148.67
Gold loans	2,705.03	1.27	35.14	2,246.97	1.25	35.52
Loans against fixed deposits	3,097.81	1.45	-	2,445.97	1.36	-
Two-wheeler loans	3,336.51	1.56	124.76	2,354.74	1.31	91.65

Category of advance	As at September 30, 2023			As at March 31, 2023		
	Gross Advances	% of Gross Advances	Gross NPAs	Gross Advances	% of Gross Advances	Gross NPAs
Term loans to NBFCs	13,902.15	6.51	-	13,986.10	7.77	-
Total gross secured advances	***122,577.38***	***57.42***	***2,127.83***	***99,047.54***	***55.02***	***881.18***
Unsecured advances:						
Group loans	6,756.60	3.17	772.11	6,414.88	3.56	1,316.10
Agricultural and allied loans	36,141.39	16.93	581.18	30,944.43	17.19	645.35
Individual and micro business loans	47,995.89	22.48	1,732.02	43,600.56	24.22	4,249.23
Total gross unsecured advances	***90,893.92***	***42.58***	***3,085.31***	***80,959.87***	***44.98***	***6,210.68***
Total gross advances	**213,471.30**	**100.00**	**5,213.14**	**180,007.41**	**100.00**	**7,091.86**

Category of advance	As at March 31, 2022			As at March 31, 2021		
	Gross Advances	% of Gross Advances	Gross NPAs	Gross Advances	% of Gross Advances	Gross NPAs
Secured advances:						
MSME loans	18,882.81	14.25	264.02	14,040.00	11.86	867.04
Affordable housing loans	16,595.00	12.52	90.77	9,400.00	7.94	218.29
Micro LAP	18,763.45	14.16	146.74	12,310.00	10.40	286.74
Gold loans	2,580.00	1.95	39.05	5,810.00	4.91	723.56
Loans against fixed deposits	2,290.00	1.73	-	2,660.00	2.25	-
Two-wheeler loans	1,260.00	0.95	29.15	110.00	0.09	-
Term loans to NBFCs	9,900.00	7.47	-	6,430.00	5.43	-
Total gross secured advances	***70,271.26***	***53.03***	***569.73***	***50,760.00***	***42.88***	***2,095.63***
Unsecured advances:						
Group loans	13,191.18	9.96	4,364.49	38,590.26	32.60	3,990.47
Agricultural and allied loans	18,770.00	14.17	1,242.80	15,510.70	13.10	1,517.81
Individual and micro business loans	30,270.77	22.85	1,392.01	13,528.86	11.43	975.93
Total gross unsecured advances	***62,231.95***	***46.97***	***6,999.31***	***67,629.82***	***57.13***	***6,484.21***
Total gross advances	**132,503.20**	**100.00**	**7,569.04**	**118,389.82**	**100.00**	**8,579.84**

Loan Pricing

We determine the interest rates for our loans on the basis of our interest rate policy, which is approved by the Board. Effective October 15, 2020, the interest rate on all longer term loans is fixed up to the first three years and three months of a loan. Thereafter, the interest rate is a variable rate.

Fixed Interest Rates

As per our interest rate policy, the fixed interest rate on loans for tenures up to three years shall not be less than the sum of following: (1) our marginal cost of funds, (2) negative carry on cash reserve ratio, (3) operating cost, and (4) tenor premium for corresponding maturity on the date of sanction. We also take into account the risk rating applicable for the relevant product and the hurdle rate of returns when determining fixed interest rates. Our interest rate policy sets forth the currently applicable spread calculations by product based on hurdle rates for return on assets for all fixed rate loans and the components thereof. Any changes to the components of spread resulting in a change in the applicable fixed rate on loans are required to be approved by the Asset Liability Management Committee ("**ALCO**"). The national business head for the respective vertical can decrease interest rates on a loan by up to 200 basis points versus the agreed hurdle rates of pricing as approved by the ALCO.

Floating Interest Rates

As per our interest rate policy, floating interest rates are calculated based on either our Bank's marginal cost of funds based lending rate ("**MCLR**") or an external benchmark linked to a Treasury bill based lending rate ("**TBLR**"), which in our case is currently derived from the average of the six-month Treasury bill rate. The reset frequency for the floating interest rate on a loan may be monthly, quarterly or annual and will be specified in the loan agreement.

As per the RBI guidelines, all new floating rate personal or retail loans (including housing and auto loans) and floating rate loans extended by banks to micro and small enterprises from October 1, 2019 and floating rate loans to medium enterprises from April 1, 2020 shall be linked to an external benchmark. We have chosen the six-month Treasury bill rate as our external benchmark. As per the RBI guidelines, the interest rates on our floating rate retail loans made on or after April 1, 2016 and on or before September 30, 2019 were based on our MCLR.

The effective interest rate (benchmark rate plus margin) applicable for floating rate loans at any point in time will be determined by the hurdle rate of pricing (which is set forth in our interest rate policy), and will be communicated to the customer as an offset to the applicable benchmark rate at that point in time.

Our treasury department tables the applicable TBLR to be used for the following month at the ALCO meeting every month.

The floating interest rate payable by the borrower is subject to changes based on guidelines/directives issued by RBI to banks from time-to-time based on money market conditions. The borrowers are required to acknowledge in the loan agreement that our Bank is obliged to give effect to any revision of interest rates, whether upwards or downwards, on all existing advances as per the RBI guidelines/directives.

Repricing of Floating Interest Rates

Once a minimum of six months has elapsed after booking a loan, the loan will move to a post-booking risk rating, which is based on a model developed internally. Thereafter, at the required frequency based on when the loan was booked, the loan will be repriced in line with the revised risk grade. The pricing grid is defined in terms of margin over the TBLR, and the margin increases as the risk propensity increases. The risk grading model and the pricing grid by risk grade for customers is approved at the MSME Product Risk Committee/Risk Management Committee and is re-evaluated periodically. Changes in risk profile and the consequent increase in margins by risk profile are agreed by the Risk Management Committee. Loans booked at floating rates priced off our MCLR are repriced with the revised margin. The revised margins are driven by the model and are the same for the same risk grade. Subsequent repricing is done on a quarterly basis. Loans booked at floating rates priced off the TBLR are repriced with the margin reset on a quarterly basis. When the interest rate changes, we send the customer a letter setting out the revision in risk grade and the new interest rate payable on the loan.

Penal Interest

Penal interest is levied on any overdue repayment amount until the repayment is made. The business head has the authority to waive the penal interest. However, in the case of loans to borrowers under the priority sector, no penal interest will be charged for loans up to ₹25,000. Further, we do not currently charge penal interest for group loans and individual loans.

Pre-payment Penalty

Subject to compliance with the RBI regulations, a pre-payment penalty is levied on the amount of a loan that is pre-paid. However, we do not currently charge a pre-payment penalty for any group loans and agricultural group loans.

The table below sets forth the average yield of our gross advances by product category as at the dates indicated.

	As at September 30,	As at March 31,		
	2023	2023	2022	2021
	(₹ in millions)			
Micro LAP	16.15	15.80	16.97	18.44
MSME loans[1]	11.82	11.77	12.04	13.12
Affordable housing loans	12.26	12.17	12.13	12.63
Term loans to NBFCs	11.49	11.97	11.78	12.58
Two-wheeler loans	19.85	20.08	20.55	19.90
Gold loans	16.31	15.44	16.27	16.92
Individual and micro business loans	25.42	24.95	24.89	26.09
Agricultural and allied loans	23.88	23.72	23.68	23.88
Group loans	24.59	24.01	23.63	23.66

Notes:

1. *Excludes overdraft loans.*

Liability Products

Retail Liability Products

<u>Current Accounts</u>

Current accounts are non-interest-bearing demand deposits from which unlimited number of withdrawals are allowed depending upon the balance in the account or up to an agreed amount. It is offered to individuals and entities that are business clientele so as to facilitate their business transactions through the account. We have enabled a sweep facility to current accounts so that customers can earn interest on the funds swept to fixed deposits.

We offer an array of current account products to meet the business needs of our customers. Our current accounts come with features such as cash management services and doorstep banking to provide our customers the convenience to bank from their workplace. As at September 30, 2023, we had 18 variants of current accounts catering to the needs of our diverse customer base, including micro and small enterprises, corporate entities, existing business loan and individual loan customers, non-profit entities, including trusts, associations, societies and clubs, as well as central and state government departments and agencies.

<u>Savings Accounts</u>

Savings accounts are interest-bearing demand deposits. Customers can also make payment of bills and purchases and transfer funds to other accounts within the banks or other banks using savings accounts. As at September 30, 2023, we had 23 variants of savings account products catering to the needs of our diverse customer base, including the middle class and the mass affluent, young professionals, minors (below the age of 18 years and represented by guardians), non-profit entities, including trusts, associations, societies and clubs, as well as central and state government departments and agencies.

The key features of our savings accounts are competitive interest rates, cheque books, RTGS/NEFT/IMPS, pay orders, 24 x 7 internet banking, easy to operate mobile banking application, dedicated relationship manager, minimal maintenance charges, as well as the convenience of transaction at any of our Branches.

Digital savings accounts can be created via our self on-boarding platform DIGIGEN. The advantages of having a digital account include: instant account opening; funds transfer with NEFT, RTGS and IMPS; a debit card with unlimited transactions at our ATMs and the ability to enjoy other card benefits offered; doorstep full KYC verification services for senior citizens and differentially abled persons or video-KYC; and the initial funding of the account can be done via UPI payment gateway, debit card or net banking.

Term Deposits

Term deposits are interest-bearing deposits for a fixed period. Term deposits can be callable or non-callable as well as recurring. As at September 30, 2023, we had 28 variants of term deposits (fixed and recurring deposits) that include: special term deposits for senior citizens; deposits in excess of ₹20 million; regular fixed deposits; non-callable fixed deposits; recurring deposits; tax saver term deposits; and term deposits for digital accounts opened on our digital account platform, DIGIGEN.

We have a special deposit scheme for senior citizens, which pays additional interest on these deposits. We offer fixed deposits and recurring deposit to senior citizens. We have simplified procedures for automatic transfer of deposits to the nominee(s) of all depositors in the event of death.

Fixed Deposits

A fixed deposit is an account where a sum of money is deposited with our Bank and we pay interest at a pre-determined rate for the time duration of the deposit. The fixed deposit can be opened for a minimum period of seven days to a maximum of 10 years. The rate of interest paid for fixed deposit varies according to tenure and amount. At the end of the term, the principal and interest are returned to the customer. Under a callable fixed deposit, the customer may withdraw his deposit prior to the end of the scheduled term, subject to charges as provided in the agreement.

Non-callable Fixed Deposits

We also provide an option to our customers to enjoy additional rate of interest on their fixed deposits in comparison to regular fixed deposits. This additional rate of interest is provided in lieu of no premature withdrawal facility on the fixed deposit.

Recurring Deposits

A recurring deposit is a term deposit account where a customer invests a sum at monthly intervals in his recurring deposit account maintained with us and interest is earned as per the pre-determined rate, which is usually the same as the fixed deposit rate. These accounts can be funded either by giving standing instructions by which we withdraw a fixed amount on a fixed date of the month from the savings account of the customer (as per his or her mandate) or by deposit of cash or cheque.

Corporate and TASC Liability Products

We offer specialized business solutions to our corporate customers and our customers that are trusts, associations, societies, clubs and NGOs (collectively, "**TASCs**") wherein the products are curated to address their specific business needs and requirements. The products, offering and service options include: (i) business current accounts (for corporate customers and TASCs); (ii) overdraft accounts (for corporate customers and TASCs); and TASC virtual accounts. We also offer a 'sweep' facility on select business current account variants, to help customer earn returns on their idle funds above the defined threshold balance.

Specialised Team for Mobilising Deposits

Our government and institutional banking group services the banking needs of central and state government departments and agencies as well as co-operative banks, NBFCs and MFIs. We established our government and institutional banking group in Fiscal 2019 to focus on growing our CASA deposits from these government departments/agencies and financial institutions. This team offers our customised products and services that are specially designed for business banking needs of the government sector. All products and services extended to this segment are high touch and customized to the needs of various government departments. We had 17 employees in our government and institutional banking group as at September 30, 2023.

Deposits by Category

For a table setting forth our deposits and the percentage composition by each category of deposits, see "*-Our Strengths- Fast growing Retail Deposits base and diversified deposit franchise*" on page 265.

Concentration of Deposits

The following table presents an analysis of our deposits by region and state/union territory based on the location of our banking outlets as at the dates indicated.

Region	State / Union Territory	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
		Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total
Western	Maharashtra	20,248.83	10.69	16,915.83	10.36	16,299.80	12.04	17,134.43	13.91
Western	Gujarat	7,686.52	4.06	6,155.71	3.77	4,852.82	3.58	3,461.17	2.81
Western	Goa	317.85	0.17	381.78	0.23	378.23	0.28	351.27	0.29
Southern	Tamil Nadu	16,211.52	8.56	16,402.51	10.04	13,987.58	10.33	13,987.91	11.36
Southern	Karnataka	23,364.96	12.34	19,398.33	11.88	17,539.10	12.96	16,568.43	13.45
Southern	Telangana	1,242.61	0.66	968.21	0.59	610.55	0.45	661.72	0.54
Southern	Puducherry	739.40	0.39	833.22	0.51	769.00	0.57	600.26	0.49
Northern	New Delhi	13,963.10	7.37	12,333.57	7.55	10,599.99	7.83	9,025.77	7.33
Northern	Uttar Pradesh	12,858.26	6.79	11,506.60	7.04	9,000.39	6.65	7,057.78	5.73
Northern	Haryana	7,530.74	3.98	5,985.00	3.66	5,834.15	4.31	5,569.61	4.52
Northern	Punjab	14,889.38	7.86	12,257.15	7.50	11,328.28	8.37	8,579.81	6.97
Northern	Rajasthan	5,205.58	2.75	4,977.15	3.05	4,031.38	2.98	3,697.28	3.00
Northern	Madhya Pradesh	5,513.74	2.91	4,782.38	2.93	3,904.51	2.88	3,664.31	2.98
Northern	Chandigarh	6,677.24	3.53	6,011.49	3.68	4,341.76	3.21	4,344.12	3.53
Northern	Uttarakhand	7,157.64	3.78	4,687.50	2.87	3,793.04	2.80	2,688.88	2.18
Northern	Chhattisgarh	5,746.42	3.03	3,741.74	2.29	2,587.23	1.91	2,318.86	1.88
Eastern	West Bengal	18,016.64	9.51	16,382.68	10.03	13,856.61	10.24	12,876.78	10.46
Eastern	Assam	3,432.22	1.81	3,328.43	2.04	2,169.24	1.60	1,968.74	1.60
Eastern	Odisha	8,786.77	4.64	7,914.62	4.85	3,863.31	2.85	3,381.65	2.75
Eastern	Bihar	4,036.72	2.13	3,432.09	2.10	2,812.57	2.08	2,850.30	2.31
Eastern	Jharkhand	4,806.53	2.54	4,233.34	2.59	2,336.89	1.73	2,183.86	1.77
Eastern	Sikkim	293.80	0.16	252.15	0.15	205.66	0.15	189.65	0.15
Eastern	Tripura	227.23	0.12	142.51	0.09	246.03	0.18	-	-
Eastern	Meghalaya	408.50	0.22	316.17	0.19	16.80	0.01	-	-
Total deposits		**189,367.24**	**100.00**	**163,340.16**	**100.00**	**135,364.92**	**100.00**	**123,162.58**	**100.00**

The following table sets forth deposits based on the location of our banking outlets as at the dates indicated.

	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total
Metro	115,160.62	60.81	100,453.99	61.50	86,768.60	64.10	80,859.96	65.65
Urban	66,438.92	35.09	55,832.57	34.18	42,103.32	31.10	36,833.57	29.91
Semi Urban	6,849.08	3.62	6,220.91	3.81	5,937.54	4.39	5,134.52	4.17

	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	**% of Total**	**Amount (₹ in millions)**	**% of Total**	**Amount (₹ in millions)**	**% of Total**	**Amount (₹ in millions)**	**% of Total**
Rural	913.58	0.48	832.69	0.51	555.46	0.41	334.53	0.27
Total	**189,367.24**	**100.00**	**163,340.16**	**100.00**	**135,364.92**	**100.00**	**123,162.58**	**100.00**

The table below sets forth our deposits from our largest depositor and top 20 largest depositors and as a percentage of our total deposits as at the dates indicated.

Particulars	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	**% of total deposits**	**Amount (₹ in millions)**	**% of total deposits**	**Amount (₹ in millions)**	**% of total deposits**	**Amount (₹ in millions)**	**% of total deposits**
Deposits from our largest depositor	3,550.00	1.87	3,000.00	1.84	1,500.00	1.11	1,250.00	1.01
Deposits from our 20 largest depositors	29,337.78	15.49	23,820.60	14.58	17,861.03	13.19	15,571.65	12.64
Total deposits	**189,367.24**	**100.00**	**163,340.16**	**100.00**	**135,364.92**	**100.00**	**123,162.58**	**100.00**

Balance to Maturity for Bulk Deposits

As at September 30, 2023, our Bulk Deposits had balance to maturity profiles as set out below.

Particulars	As at September 30, 2023				
	Up to three months	**Over three months to Six Months**	**Over Six Months to One Year**	**Over One Year**	**Total**
	(₹ in millions)				
Balance to maturity for Bulk Deposits	14,766.28	11,205.99	26,873.55	9,246.31	62,092.12

For more details on our deposits, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Financial Condition, Results of Operations and Cash Flows – Net Interest Income – Average Total Deposits and Cost of Average Total Deposits and Average Borrowings and Cost of Average Borrowings*" on page 471.

Distribution of Third-Party Products

<u>Insurance Products</u>

We are a corporate agent for ICICI Prudential Life Insurance Company Limited and Bajaj Allianz Life Insurance Company Limited for life insurance products and for ICICI Lombard General Insurance Company Limited and Bajaj Allianz General Insurance for general and health insurance products. We distribute a range of insurance products, including term plans, unit linked insurance plans, guaranteed savings plan, motor insurance, fire insurance, health insurance, COVID-19 insurance, travel insurance and personal accident policies.

Point of Sale (POS) terminals

We have partnered with mSwipe technologies to distribute POS terminals to our deposit customers and SME customers to facilitate cashless purchases. This is based on the referral model partnership and our Bank does not charge any commission.

Other Services

Customised Cash Management Services

We offer cash management services to suit to our customer base. The cash management services facilities include cash pick up and cash deposit by customer across all our Branches. This is offered to customers for a fee.

Money Transfer Services

We provide our customers with a remittance service for transferring money on NPCI's immediate payment service platform, on the RBI's RTGS and on the NEFT.

Safe Deposit Lockers

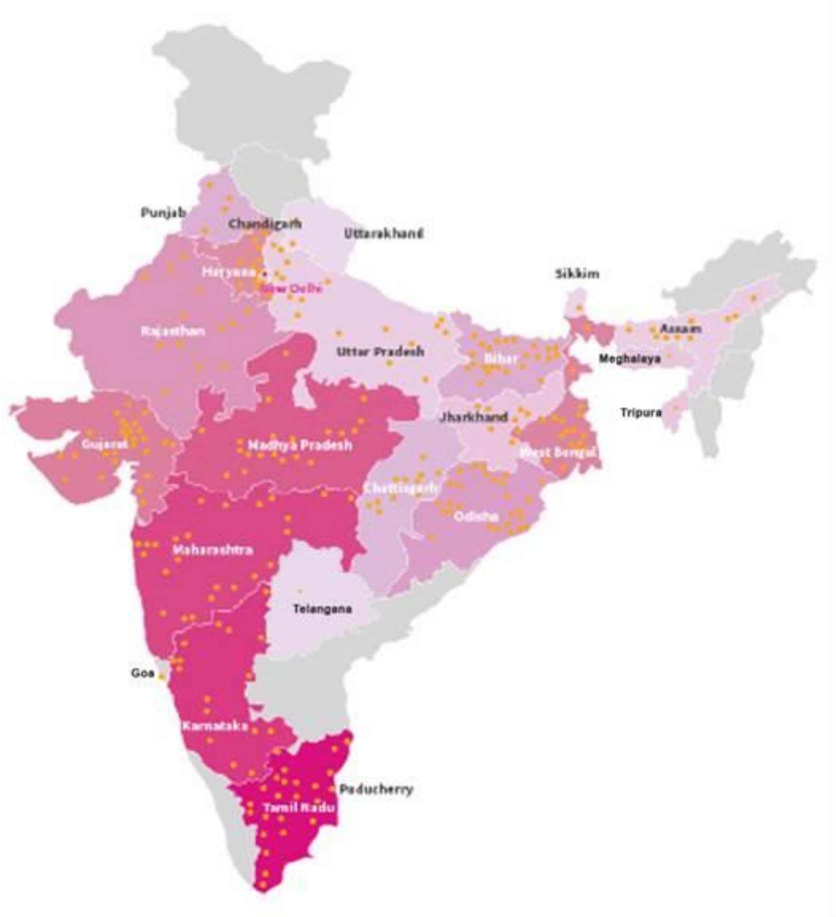
We provide safe deposit lockers to our customers to store their valuables for a fee.

Delivery Channels

We deliver our products and services through our banking outlets (our Branches and business correspondent-operated banking outlets), business correspondents, ATMs, ATM cum debit cards, mobile banking platforms (including unified payment interface facilities), internet banking portals, and SMS alerts.

As at September 30, 2023, we had operations in 22 states and two union territories: Tamil Nadu; Karnataka; Telangana; Maharashtra; Gujarat; Goa; Madhya Pradesh; Chhattisgarh; Bihar; Jharkhand; Odisha; Punjab; Haryana; Rajasthan; Uttar Pradesh; Uttarakhand; Delhi; West Bengal; Assam; Sikkim; Chandigarh; and Puducherry.

The map below shows the locations of our banking outlets (our Branches and business correspondent-operated banking outlets) as at September 30, 2023.



Banking Outlets

Our banking outlets comprise our Branches (all of which we operate) and our business correspondent-operated banking outlets (in which we have some employees assisting with the operations). The table below sets forth the number of our Branches and our business correspondent-operated banking outlets as at the dates indicated.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
Number of Branches (all of which we operate)	597	595	551	489
Number of business correspondent-operated banking outlets (in which we have some employees assisting with the operations)	174	159	164	130
Total number of banking outlets	**771**	**754**	**715**	**619**

The following table sets forth our banking outlets by state/union territory as at the dates indicated.

Region	State / Union Territory	As at September 30, 2023	As at March 31,		
			2023	2022	2021
Eastern	Assam	14	14	14	14
Eastern	Bihar	35	35	32	32
Eastern	Jharkhand	18	17	16	15
Eastern	Meghalaya	1	1	1	0
Eastern	Odisha	97	96	89	39

Region	State / Union Territory	As at September 30, 2023	As at March 31,		
			2023	2022	2021
Eastern	Sikkim	1	1	1	1
Eastern	Tripura	2	2	2	0
Eastern	West Bengal	49	49	49	45
Northern	Chandigarh	1	1	1	1
Northern	Chhattisgarh	25	25	25	18
Northern	Delhi	15	14	12	12
Northern	Haryana	28	28	28	26
Northern	Madhya Pradesh	81	81	77	62
Northern	Punjab	15	15	15	13
Northern	Rajasthan	48	48	45	36
Northern	Uttar Pradesh	39	34	30	30
Northern	Uttarakhand	2	2	2	2
Southern	Karnataka	55	54	51	51
Southern	Pondicherry	3	3	3	3
Southern	Tamil Nadu	87	86	81	81
Southern	Telangana	1	1	1	1
Western	Goa	1	1	1	1
Western	Gujarat	72	70	68	65
Western	Maharashtra	81	76	71	71
Total		**771**	**754**	**715**	**619**

The following table sets forth our banking outlets based on the location of the banking outlets as at the dates indicated.

Location of Banking Outlets	As at September 30, 2023	As at March 31,		
		2023	2022	2021
Metro	201	201	197	197
Urban	191	188	183	178
Semi Urban	92	86	74	70
Rural	287	279	261	174
Total	**771**	**754**	**715**	**619**

As per the RBI's requirements, at least 25.00% of our total banking outlets, which comprises our Branches and business correspondent–operated banking outlets, are required to be located in unbanked rural centres. Left Wing Extremism affected districts as notified by the Government are considered as equivalent to unbanked rural centres as per RBI guidelines. The table below sets forth the number of our banking outlets in unbanked rural centres (including Left Wing Extremism affected districts as notified by the Government) and as a percentage of our total banking outlets as at the dates indicated.

Banking Outlets	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Number of banking outlets	% of total banking outlets	Number of banking outlets	% of total banking outlets	Number of banking outlets	% of total banking outlets	Number of banking outlets	% of total banking outlets
Banking outlets in unbanked rural centres (including Left Wing Extremism affected districts as notified by the Government)	278	36.05	272	36.07	259	36.22	174	28.10
Of which:								
Our Branches	*119*	*15.43*	*113*	*14.98*	*95*	*13.28*	*44*	*7.10*
Business correspondent-operated banking outlets (in which we have some employees assisting with the operations)	*159*	*20.62*	*159*	*21.08*	*164*	*22.93*	*130*	*21.00*
Total number of banking outlets	771	100.00	754	100.00	715	100.00	619	100.00

Business Correspondents

We utilise the services of business correspondents in order to help grow our business in locations where operating a conventional Branch is not viable and also for supporting our Branches to provide better service to our customers, particularly in rural areas. We have appointed three corporate entities as business correspondents to manage a total of 159 banking outlets in unbanked rural centres as at September 30, 2023. Those three business correspondents also source and service customers for agricultural and allied loans, individual and micro business loans, and group loans as well as deposits. In addition, we had 17 other business correspondents that source and service customers for agricultural and allied loans, individual and micro business loans, and group loans as well as deposits as at September 30, 2023. The table below sets forth the number of our business correspondents as at the dates indicated.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
Number of business correspondents	20	21	14	11

None of our business correspondents are related parties of our Promoters, Directors, or Key Managerial Personnel as at the date of this Prospectus.

Our business correspondent entities act for us on a non-exclusive basis, except at our business-correspondent operated banking outlets, where they act for us on an exclusive basis.

Particulars	As at September 30, 2023		As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ in millions)	% of total gross advances	Amount (₹ in millions)	% of total gross advances	Amount (₹ in millions)	% of total gross advances	Amount (₹ in millions)	% of total gross advances
Gross advances sourced or serviced by business correspondents	21,932.73	10.27	18,673.46	10.37	9,033.65	6.82	2,677.18	2.26
Total gross advances	213,471.30	100.00	180,007.41	100.00	132,503.20	100.00	118,389.82	100.00

Our business correspondents are not compensated for sourcing deposits, therefore we do not track the amount of deposits that are sourced by our business correspondents.

ATMs

Our ATMs are labelled as our ATMs but are operated by third parties. The ATM operators provide machine maintenance, cash balancing, reconciliation, cash collection and replenishment services and provides daily MIS on the basis of which the balances are compared and reconciled as per the balances with our core banking system. The following table sets forth the number of our ATMs as at the dates indicated:

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Number of ATMs	61	61	67	135

We have decreased the number of our ATMs from 135 as at March 31, 2021 to 61 as at September 30, 2023 as a measure to reduce costs, as these ATMs were located on-site with Branches.

ATM cum Debit Cards

We offer ATM and debit cards to our customers. The cards can be used to withdraw cash through our ATMs and the ATMs of any other bank in India and for purchase transactions at POS/Online terminals in India. The following table sets forth information relating to our ATM cum debit cards as at and for the periods/years indicated:

Particulars	As at and for the half year ended September 30,		As at and for the year ended March 31,		
	2023	2022	2023	2022	2021
Total debit cards issued in the period/year	256,523	213,149	409,811	368,174	599,351
Number of unexpired debit cards as at the end of the period/year	2,849,875	2,503,146	2,710,919	2,297,911	1,944,680
Number of debit card transactions	2,660,392	2,236,555	3,760,980	3,403,960	3,334,721
Value of debit card transactions (₹ in millions)	12,539.00	9,462.00	18,758.95	16,136.72	16,010.68

Digital Channels

We offer multiple digital servicing channels to our customers including: (i) internet banking; (ii) mobile banking; and (iii) corporate internet banking.

The following table sets forth information relating to our digital banking channels for the periods and years indicated:

Particulars	For the half year ended September 30,		For the year ended March 31,		
	2023	2022	2023	2022	2021
Number of internet banking transactions	144,092	141,354	314,616	175,630	111,275
Value of internet banking transactions (₹ in millions)	10,425.27	8,107.06	18,975.32	10,619.07	5,235.98
Number of mobile banking transactions	828,979	923,488	1,730,675	1,756,474	1,324,322
Value of mobile banking transactions (₹ in millions)	26,439.14	24,513.67	48,806.45	38,463.03	22,738.50

Internet Banking

We offer a suite of internet banking services, allowing our customers to conduct banking operations at any time, on any day and from any place of their convenience. Our internet banking platform provides services including fund transfer within/outside our Bank using NEFT, RTGS, IMPS, and the opening of term deposits. We also provide a 'smart budget' feature, which assists customers to plan their monthly budget.

Mobile Banking

Our mobile banking platform brings the convenience of doing banking on customers' mobile phones while providing all the banking features includes services and security.

We currently offer a mobile banking application that connects with the National Payments Corporation of India's unified payments interface platform, thereby enabling our customers to transfer funds to other banks instantaneously and use scan and pay facilities at merchant outlets. Our mobile application is compatible with both Android and iOS operating systems.

Apart from providing our customers access to all the banking services, as listed above in the 'Internet Banking' section, our mobile banking platform provides a unique feature of 'Smart Budget' that allows our customer to plan his or her monthly budget (spends and savings) like a professional.

SMS Alerts

Our SMS alerts facility provides alerts, account information and transactional services via SMS on both smartphones and feature phones. Our SMS alerts facility helps detect unauthorised access to customer accounts. Our missed call banking facility is available to ascertain account balance information and transaction details.

Corporate Internet Banking

We provide our customers, especially corporates and businesses, with an array of essential banking services on our corporate internet banking channel. Customers can monitor, transact and manage their bank accounts online through our corporate net banking services thus making Jana corporate internet banking a one-stop shop for all the online banking needs of a corporate.

The customers can get their accounts details, submit requests and undertake a wide range of transactions online, including our bulk upload feature. Our corporate internet banking features include fund transfers (NEFT, RTGS, IMPS, bulk payments), opening term deposits (bulk and regular fixed deposits), and multiuser authorisation matrix.

Customer Service

We make use of both interactive voice responses systems and call centre agents to manage our customers' queries. Our call centre facility is available to our customers 24 hours a day, seven days a week. Our call centre agents are multi-lingual and can assist our customers in most languages spoken in areas where we operate.

Our customer service policy is directed towards providing prompt, courteous and efficient service to our customers, which in turn provides our customers' satisfaction, reduces our customers' grievances and dissatisfaction and helps us to compete better in the market. Our customer service policy sets forth our commitment to our customers and provides a uniform framework for defining customer service delivery standards, rights of customers and how customer complaints and grievances shall be handled. Our customer service policy provides comprehensive guidance and instructions on services to be rendered to our customers, encompassing all of our customer touch-points – all our Branches, business correspondents, digital channels, including website and mobile app, and phone banking centres. Our customer service policy incorporates the tenets introduced by the RBI in the 'charter of customer rights', including: (i) the right to fair treatment; (ii) the right to transparency; (iii) fair and honest dealing; (iv) the right to suitability; (v) the right to privacy; and (vi) the right to grievance redress and compensation.

Treasury Operations

Our treasury department is responsible for fund raising and asset liability management, minimizing the cost of our borrowings, liquidity management and control, managing interest rate risk and investing funds in accordance with the criteria set forth in our investment policy. Our treasury department is also responsible for ensuring that the bank complies with its regulatory obligations with respect to maintaining SLR, CRR, and LCR.

Our treasury operations are significantly automated. There is a functional segregation of roles and responsibilities relating to activities within the treasury department. The treasury front office is responsible for the investment decision-making and transaction initiation. Our treasury mid office is responsible for policy setting, limit setting, limit monitoring, valuation and preparation of regulatory filings. It is also responsible for submission of replies on internal and external inspections. The treasury back office is responsible for deal validation, settlement, clearing, custody and accounting of the transactions undertaken by the treasury front office. Our treasury operations are performed from our office in Mumbai, except for the Treasury mid-office function which is managed out of the office of the Chief Risk Officer in Bengaluru.

Risk Management

The key risks we are exposed to are: (i) credit risk; (ii) operational risk; (iii) market risk; (iv) liquidity risk; (v) interest rate risk; (vi) information security risk; and (vii) reputational risk.

Risk Management Architecture

We have adopted an integrated risk management approach in order to develop a comprehensive view of risks faced in our business. The Integrated Risk Management Policy serves as an umbrella policy for governance supported by all other risk related policies.

The Board has the overall responsibility for overseeing risks and the establishment of an effective risk management framework. The Board sets clear communications, a risk focused culture, reward programmes that incorporate risk-related objectives, and learning programmes to promote effective integrated risk management. The Board oversees the implementation of risk management policies, procedures, systems and tools and monitors risks and maintains oversight of the functioning of the risk management function. The Board has delegated authority to the Risk Management Committee of the Board for risk management. The Risk Management Committee of the Board is a Board-level committee that has overall responsibility to oversee implementation of the risk management framework and systems and monitor and manage risk. The Chairman of the Risk Management Committee of the Board is an independent director and the majority of the members must be independent directors.

The Risk Management Committee of the Board is in charge of reviewing and approving all risk management and measurement policies and procedures and the Internal Capital Adequacy Assessment Process ("**ICAAP**") before submission to the Board; apprising the Board at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy; overseeing the implementation of risk management frameworks and risk management systems for the different risk areas; defining risk appetite; creating risk awareness; approving results of stress testing; reviewing the Asset Liability Management; making recommendations for risk mitigations and general risk management.

The Board authorises the creation of sub committees of the Risk Management Committee at the executive level and the delegation of authorities and responsibilities to the sub committees. The senior business managers have the ownership for and are at the core of the risk management structure. The senior management are charged with the primary responsibility for designing, implementing, and maintaining an effective risk programme and following risk-based supervision. They are responsible and accountable for managing the risk/return trade-offs in their businesses.

The executive level Risk Management Committee has overall responsibility in relation to operational risk management and credit risk management. The executive level ALCO has overall responsibility over market and liquidity risk management. These sub-committees are responsible for overseeing management of risks on regular basis and reporting to the Board and Risk Management Committee of the Board

The Risk Management Function headed by our Chief Risk Officer oversees the development and implementation of a consistent bank-wide risk management framework and is responsible for ensuring that the requirements of various risks policy are effectively implemented and complied with and for timely reporting to Board or the Risk Management Committee of Board and Risk Management Committee of our Bank. The three sub departments within the Risk Management Function are: the Credit Risk Management Department; the Operational Risk Management Department; and the Market Risk Management Department.

<u>Business Units</u>

The business units are fully responsible for our risk management processes, the performance of their business and the management of risks they take within the risk framework established by our Bank and making related decisions for risk identification, assessment, measurement, mitigation and monitoring as well as providing ongoing risk reporting to the Risk Management Committee for ongoing review of risk management activities.

Our Bank measures risks at both an individual transaction level and at the portfolio level. The same is carried out by measuring the expected and unexpected losses for various risks as per the treatments recommended by RBI and the Basel committee. Our Bank uses capital consumption as a primary measure where applicable for risk quantification.

Credit Risk

Credit risk is the possibility of losses due to default by the borrowers and/or reduction in the value of the portfolio due to deterioration of credit quality of borrowers or counterparties.

Our credit policy provides guidelines for profitable growth of our Bank portfolio by identifying specific business opportunities and managing the risk involved and establishes the overall framework for risk management across products. The credit policy intends to ensure credit related systems and processes in line with best-in-class banks. The credit policy establishes the credit policies that govern all types of lending which pertain to us. These represent defined criteria for all forms of credit extension with which each business must comply. Any exception or deviation from these policies or established criteria requires prior approval from the Credit Committee of the Board, unless stated otherwise.

Credit risk oversight at the management level is provided through the executive level Risk Management Committee and various product risk sub-committees. The Credit Risk Management team along with the products team define specific criteria and implement policies and procedures. The Credit Risk Management team also establishes all policies, procedures and approval authorities relating to credit risk. The Chief Risk Officer and the Credit Risk Management team and the heads of credit for the various verticals are responsible for ensuring that the requirements of the credit policy and the underlying detailed policies are complied with. The credit underwriting function is headed by the Chief Credit and Collections Officer, independent of the revenue generating units.

Credit risk management plays an integral part in measuring and controlling risks taken by the business units. The various business teams are responsible for developing business plan based on the opportunities and the risk offered balancing the risk/return trade-offs. They function as the first line of defence, and are responsible for the quality of business sourced by them. Scoring models are in place to quantify risks, and there is a Board approved policy on minimum pricing to compensate for the risks the Bank assumes.

The Board has delegated authority to the Credit Committee of the Board to strengthen the governance around approval of larger credits. The Credit Committee of the Board is responsible for reviewing credits approved by the Credit Approval Committee under its authority and approving credits beyond the authority of the Credit Approval Committee.

Operational Risk

We have adopted the Basel Committee on Banking Supervision and the RBI definition of operational risk, which is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The definition is "causal-based", providing a breakdown of operational risk into four categories based on our sources: (a) people; (b) processes; (c) systems; and (d) external factors.

Based on the definition adopted, operational risk as exists in front line business functions (branches, sales, customer service, etc.), operations and control functions. Operational risk includes legal risk, but excludes reputational risks. Legal risk includes, but is not limited to, exposure to fines, penalties or punitive damages resulting from supervisory actions, as well as ordinary damages in civil litigation, related legal costs and private settlements.

Principles for Operational Risk Management

We have an Operational Risk Management Policy that seeks to establish explicit and consistent standards for operational risk management and measurement to enhance systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of operational risks.

Our strategy is to embed operational risk management in our day-to-day business operations and decision-making processes in order to minimize operational losses and ensure adherence to defined risk tolerance limits.

We have put in place three lines of defence for managing operational risk within our Bank. Our branches, Asset Centres, central processing centre, and operations and quality assurance teams are the first line of defence; they are responsible for implementing effective internal controls to manage operational risks and demonstrating continuous operating effectiveness. There are separate functional Operational Risk Committees to monitor operational risk across all the verticals. The Operational Risk Management

Department is the second line of defence; it is responsible for establishing frameworks, policies, limits and processes for the identification, management, monitoring, and reporting of operational risks. The Internal Audit Department is the third line of defence; it provides an independent assurance to the Audit Committee of the Board on the adequacy and effectiveness of both first and second line of operational risk management.

KYC and AML

The Risk Management Committee oversees the implementation of our KYC/AML Policy. The compliance department at our corporate office has the primary responsibility of the implementation of our KYC/AML Policy and KYC/AML procedures. Our KYC/AML policy has been framed for the following purposes:

i. to ensure that only right type of customers are on-boarded;

ii. to prevent criminal elements from using our Bank for money laundering or any other illegal activities;

iii. to understand each customer's profile and their financial dealings, which helps to manage the associated risks;

iv. to put in place appropriate controls for detection and reporting of suspicious activities in accordance with applicable laws and laid down procedures;

v. to comply with applicable laws and regulatory guidelines; and

vi. to ensure that the concerned staffs are adequately trained in KYC/AML procedures.

The KYC/AML policy is applicable across our Bank and to all the external stakeholders associated with our Bank. We ensure that appropriate KYC procedures are duly applied before introducing new products, services and technologies. We also ensure that decision making functions of determining compliance with KYC norms are not outsourced.

Our KYC/AML policy is based on the following key elements: customer acceptance policy; customer identification procedures; monitoring of transactions; and risk management of customers.

Internal Money Laundering and Terrorist Financing Risk Assessment

We undertake an annual risk assessment exercise to identify, assess and take measures to mitigate the money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels. In the risk assessment exercise, we also take into cognizance the overall sector-specific vulnerabilities, if any, that the regulator/supervisor shares from time to time. The key purpose of the money laundering and terrorist financing risk assessment is to drive improvements in financial crime risk management through identifying the general and specific money laundering and terrorist financing risks our Bank is facing, determining how these risks are mitigated by AML/KYC programme controls and establishing the residual risk that remains for our Bank.

On-going Due Diligence

We undertake on-going due diligence of our customers to ensure that their transactions are consistent with their knowledge about the customers, customers' business and risk profile and the source of funds.

Market Risk

Market risk is defined as the risk that the value of 'on or off' balance sheet positions will be adversely affected by movements in market interest, currency exchange rates, equity and commodity prices.

Market risk has the following components:

Interest Rate Risk: The risk that changes in market interest rates may adversely affect valuation of our Bank's investment portfolio.

Exchange Rate Risk: The risk that our Bank may suffer losses due to adverse exchange rate movements during a period in which it has an open position, either spot or forward, or a combination of the two, in any foreign currency. However, since we do not lend or borrow in foreign currency, we do not have any foreign exchange rate risk as at September 30, 2023.

Equity Price Risk: The risk that our Bank may suffer losses due to adverse movements in prices of the equities held in our portfolio. In addition to the above-mentioned market risks, our investment portfolio could be subject to credit risk and losses due to mark to market.

We have a Market Risk Policy that outlines our approach to the management of market risk and seeks to adopt a comprehensive identification, monitoring, management and reporting framework that allows market risk to be tracked, managed and overseen in a timely and efficient manner for all asset classes in such a way that the risk taken are within the approved risk tolerance limits.

Management of market risk encompasses risk identification, risk measurement, setting up of limits and triggers, risk monitoring, risk control, risk reporting and suggesting corrective actions, where warranted.

Our market risk management framework is aligned to the guidelines established by RBI for market risk management. The components of the market risk framework are designed to help ensure that the risk exposures of our Bank remain within our risk appetite and tolerance.

Risk Identification and Assessment

Risk identification entails ensuring that all instruments on and off the balance sheet of our Bank that give rise to market risk are identified and monitored centrally. Our Bank is exposed to the following types of market risk on account of our trading and balance sheet management activities:

Our Bank is exposed to interest rate risk through our investment portfolio, comprising both the trading book and banking book investments. Our Bank is also exposed to interest rate risk on account of forex trading transactions as permitted, interest rate derivatives as permitted and preference share holdings.

Our Bank is exposed to equity risk through our trading book investments in listed and unlisted equity and mutual funds. The pertaining risk factors for this asset class include market price and beta factor.

Basis risk arises from the imperfect co-relation between changes in the rates earned and paid on different instruments with otherwise similar repricing characteristics.

Risk Measurement

Our Bank has adopted risk metrics that aim to ensure that the market risks to which we are exposed are within our risk tolerance and appetite. These measures include PV01 and VaR.

Risk Monitoring and Reporting

The Mid Office is responsible for day-to-day monitoring of both position and exposure limits, as well as risk sensitivity limits and reporting the same to the Head of Treasury and Capital Markets and senior management. However, the Front Office is responsible for monitoring the risk and loss limits on a real time basis and where applicable, mark to market adjustments are performed through the profit and loss account.

Liquidity Risk and Interest Rate Risk

Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the Bank's financial condition. We are concerned with two types of liquidity risk: funding liquidity risk, and market liquidity risk.

Funding liquidity risk is the risk that a bank will not be able to meet efficiently the expected and unexpected current and future cash flows and collateral needs without affecting either its daily operations or its financial condition.

Market liquidity risk is the risk that a bank cannot easily offset or eliminate a position at the prevailing market price because of inadequate market depth or market disruption.

Interest rate risk is the risk where changes in market interest rates affect a bank's financial position. The key components of interest rate risk are as follows:

Repricing Risk – Repricing risk arises when assets and liabilities gets re-priced at different time and for different rate of interest on account of either maturity or fixed and floating nature of assets and liabilities and off-balance sheet instruments;

Yield Curve Risk – Yield curve risk is caused by non-parallel shifts of relative level of rates across the yield curve;

Basis Risk – Basis risk arises from the imperfect co-relation between changes in the rates earned and paid on different instruments with otherwise similar repricing characteristics; and

Option Risk - The option risk arises on account of embedded options in different assets and liabilities of our Bank viz., prepayment of term loans, premature closure of term deposits and other call and put options.

We have adopted an Asset Liability Management ("**ALM**") framework that addresses the management of liquidity risk and interest rate risk.

The overall responsibility for deciding the ALM policy and setting up prudential limits for liquidity, interest rate and other risks remains with the Board of Directors. The main responsibilities have been delegated to and lie with the ALCO. The ALCO is a committee of senior management formed with primary objective of asset liability management at bank-wide level. It reviews the liquidity risk and interest rate risk from the asset liability management perspective and give directives for managing the same.

Liquidity Risk Management

The ALM policy addresses both the funding liquidity risk and market liquidity risk, using the flow approach, which utilizes the tool of standard liquidity statement and the stock approach, which utilizes the regulatory prescribed ratios and bank-specific additional ratios including stress scenarios. Liquidity management on day-to-day basis is guided by the estimated liquidity gaps in structural liquidity analysis; the projected short-term funds flow analysis and daily funds flow analysis.

Our principles of liquidity risk management are summarized as follows:

We have established a liquidity risk management framework that aims to maintain sufficient liquidity at a reasonable cost.

We aim to actively monitor and control liquidity risk exposures and funding needs within and across legal entities, business lines and currencies.

We aim to establish a funding strategy that provides effective diversification in the source and tenor of funding.

We publicly disclose information on a regular basis that enables market participants to make an informed judgment about the soundness of our liquidity risk management framework and liquidity position.

We regularly conduct stress tests incorporating a variety of scenarios with varying severity to assess the liquidity risk.

We use the stress test outcomes to adjust our liquidity risk management strategies, monitor limits and revise, if necessary and develop contingency plans.

We aim to maintain a cushion of unencumbered, high quality liquid assets to be held as insurance against a range of liquidity stress scenarios.

The senior management develops and reviews the strategies, policies and practices for managing liquidity risk in accordance with the risk tolerance.

We conduct liquidity related stress testing under baseline, medium and severe scenarios on a half yearly basis. The ALCO may modify these scenarios from time to time based on emerging risks.

Interest Rate Risk Management

For measurement and management of interest rate risk, we adopt both the traditional gap analysis and the duration gap analysis to our aggregate position of assets, liabilities and off-balance sheet items that are rate sensitive. The ALCO sets the internal limits under both traditional gap analysis and duration gap analysis for interest rate risk based on our risk bearing and risk management capacity.

Information Security Risk

Information security focuses on protecting confidentiality, integrity, and availability of information, and cyber security is the ability to protect or defend the use of cyberspace from cyberattacks. Cyberspace is the interconnected network of information systems or infrastructures such as internet, telecommunications networks, computer systems and many other systems.

We have in place an Information Security Management Policy, which provides an integrated set of protection measures that must be uniformly applied across our Bank to ensure a secured operating environment for our business operations. The objective of the Information Security Management Policy is to provide our Bank an approach for managing information risks and directives for the protection of information assets to all units, and those contracted to provide services.

Our Information Security Management Policy addresses the information security requirements of:

i. Confidentiality: Protecting sensitive information from disclosure to unauthorized individuals or systems;

ii. Integrity: Safeguarding the accuracy, completeness, and timeliness of information; and

iii. Availability: Ensuring that information and vital services are accessible to authorized users when required.

The Board of Directors has the overall responsibility for the policy. The Information Risk Management Department gives recommendations regarding the Information Security risk and is responsible for the maintenance and review of the Information Security Policy and also for the formulation and review of all sub policies derived from Information Security Management Policy.

We have put in place an information security organization that is divided into the executive management, governance and implementer. The executive management, comprising the Board of Directors, implements security governance and defines the strategic security objective. The Information Security Governance section, comprising the Information Security Committee, Business/Department Heads, the Chief Information Security Officer, the Chief Risk Officer, and the Chief Information and Digital Officer, is in charge of managing risks appropriately and verifying that the enterprise resources are used responsibly by providing strategic direction. The Information Asset Owner, Asset Custodian, IT Security operations and IT Operation belong to implementer section that are in charge of ensuring that initiatives and existing operations adhere to policies. The roles and responsibilities of the abovementioned members of the Information Security Organization members are set out in detail in the Information Security Management Policy.

A separate Cyber Security Policy has been put in place to deal with cyber security risks. The Information Risk Management Department is responsible for articulating the Cyber Security Policy and creating awareness amongst all the stakeholders through circulars and conducting regular trainings. IT Security Department is responsible for implementation of the policy. Our approach to cyber security is based on our vision of protecting information and information infrastructure in cyberspace, building capabilities to prevent and respond to cyber threats, reducing vulnerabilities and minimizing damage from cyber incidents through a combination of institutional structures, people, processes, technology and cooperation.

ICAAP

Our ICAAP Policy provides details of the areas to be covered in the ICAAP document in line with RBI guidelines on ICAAP under Basel III. We document all material risk exposures incurred by our Bank in the ICAAP document. The ICAAP document indicates the quantitative or qualitative risk measurement approaches adopted for each risk type and details our risk appetite statement; assessment of relevant risks and demonstration of a process to identify and manage risks on an ongoing basis; our stress testing framework; financial projections and planning; and linkages with decision making processes. The ICAAP document is reviewed and recommended to the Board by the Risk Management Committee of the Board.

Reputational Risk

Reputational risk is the risk arising from negative perception on the part of customers, counterparties, shareholders, investors or regulators that can adversely affect a bank’s ability to maintain existing, or establish new, business relationships and continued access to sources of funding.

Our reputation is founded on trust from our employees, clients, shareholders, regulators and from the public in general. We have established a reputation risk framework through:

i. policies and procedures to prevent risks;

ii. a comprehensive crisis management programme, including reputation risk;

iii. a communication strategy that is designed to build, maintain and protect our reputation;

iv. fraud risk management processes;

v. mandatory compliance training for employees;

vi. well laid-down credit policies;

vii. end-to-end management of customer complaints;

viii. a legal team to handle potential litigation;

ix. in-built safeguards for vendor management;

x. continuous regulatory engagement; and

xi. a proactive investor relations team.

Information Technology

We are constantly focused on upgrading our technology platforms. The majority of our sourcing and collections across assets and liabilities are digitized using mobile tablets, with an emphasis on straight through processing, while incorporating fraud and regulatory checks, PAN validation, eKYC (leveraging India stack services (Aadhaar, NSDL, mobile and GST verification)) to digitally authenticate and on-board customers, credit bureau checks supporting multiple bureaus, AML checks and checking if the applicant is already a customer of our Bank are fully automated using an integration layer.

We have partnered with Fintech companies to tap into an online APIs that provide customer financial and non-financial information sourced from various governmental agencies and other trusted service providers. These can be processed in real time to generate an array of financial metrics and potential 'red flags' in a customer's profile, enabling us to make more informed credit approval decisions.

We have also invested in various technology, infrastructure and tools to drive data analytics and to convert our data into impactful insights. We have built a comprehensive enterprise data warehouse that ensures all reporting and analytical data is loaded on an intra-day, daily and monthly basis. The enterprise data warehouse integrates data from over 20 source systems, including our core banking system, loan origination system, lead management system, customer relationship management system, field collections system and call centre management system. We use various tools to ensure that all data is extracted, transformed, integrated and made available for analysis in a timely manner. We also integrate our internal data with external data from credit bureaus to create a "360 degrees view" of each customer, which underpins decisions relating to the sales of all credit products. Our business intelligence and analytics team, which comprised 44 employees as at September 30, 2023, utilizes integrated business intelligence tool to create and automate reports and provide interactive dashboards. The team publishes numerous daily reports that are used by our sales, collections and operations teams. The team also uses tools to provide everything from building analytically driven cross-sale strategies, to undertaking portfolio risk analytics and loss forecasting, to deploying optimization models for branch-level cash management.

Our core banking system is supported by software provided by IT solutions service provider. Our other key processes and critical application systems, such as anti-money laundering check, helpdesk service centre, sourcing for customers, lead life-cycle management, loan processing, treasury operations support, internet banking, loan disbursement and collection, customer relationship management, and asset liability management are also supported by third-party technology platforms. We have collaborated with software solution providers and software service providers for these functions.

Our back-office services use certain robotic process automation capabilities, which have eliminated a number of manual processing steps, thereby reducing turnaround times and eliminating human errors.

Our automated document management system is managed in-house and support secure, long-term storage of customer and related financial documentation.

We have automated our backend corporate processes, including a human resource platform covering end-to-end management of our human resources operations, right from on-boarding to performance management, as well as a digital platform for employee reimbursements, vendor payments and petty cash management.

As required by the RBI, we have an Information Technology Strategy Committee that, among other things, monitors the information technology resources required to achieve our strategic goals and provides high-level direction for sourcing and use of information technology resources.

Our primary data centre is in Bengaluru and is operated by NTT-NetMagic. Our disaster recovery centre is in Mumbai and is operated by CtrlS Datacentres Ltd.

Marketing

To enhance the visibility of our brand, we advertise using banners, newspaper advertisements, billboards, digital media and social media as well as sponsor events. We were one of the sponsors for Test cricket matches in India in 2017 and 2018. In September 2020, we launched our "Jana Karo, Jama Karo" campaign. The campaign is designed to ensure coverage across a wide spectrum of customers and potential customers. This campaign is also our first above the line brand campaign in multiple regional languages (Hindi, Tamil, Kannada, Marathi and Bengali). The key theme of this campaign is on invoking trust and expanding our Retail Deposit business.

We are focussed on digital marketing and we regularly use digital means of branding and product marketing. The Bank is currently working with FCB Ulka Advertising Agency, an agency that specialises in digital marketing.

We use print and outdoor mediums to create awareness about our various assets and liability products.

We use e-mail, SMS and WhatsApp messages to let our customers know about new product launches and offers.

Our corporate and social responsibility initiatives are aimed at helping underserved communities, which helps build our brand in our key target customer segment. For details, see "*-Corporate and Social Responsibility*" on page 311.

Competition

The Indian finance industry is intensely competitive and we face intense competition in all our principal products and services.

We primarily compete with other Small Finance Banks, other types of banks and NBFCs to provide secured loans to businesses, gold loans and affordable housing loans and we also compete with housing finance companies to provide affordable housing loans. There are multiple players in the microfinance sector with varied organisational structures. Loans in the microfinance sector are offered by Small Finance Banks as well as other banks, NBFC-MFIs, other non-banking finance companies and non-profit organisations. (*Source: Fitch Report*). The 12 Small Finance Banks, including our Bank, cumulatively accounted for 17% of the total gross microfinance loans as at May 31, 2023. (*Source: Fitch Report*). NBFC-MFIs and Banks had a market share of 41% and 32%, respectively, of the total gross microfinance loans as at May 31, 2023. (*Source: Fitch Report*). We were fourth highest in terms of AUM and fourth highest in terms of deposit size among all Small Finance Banks as at September 30, 2023. (*Source: Fitch Report*). For more details, see "*Industry Overview*" on page 215.

Our competitors in the organised sector may have better brand recognition, greater business experience, more diversified operations, a greater customer and depositor base, a larger branch network and better access to funding and at lower costs than we do. Furthermore, certain requirements that are applicable to Small Finance Banks in terms of the SFB Operating Guidelines and other banking laws and regulations are significantly more stringent in comparison to Scheduled Commercial Banks and NBFCs. Ensuring compliance with these laws and regulations has and will continue to limit our revenue, thereby making it more difficult to compete with other players in the organised sector. For further details, see "*Risk Factors – 2. We are subject to stringent regulatory requirements and prudential norms. In addition, some of these regulatory requirements and prudential norms are more onerous for Small Finance Banks compared to other banks. We have not been able to comply with certain provisions of the SFB Licensing Guidelines and the RBI Final Approval. As a result, the RBI may take regulatory action against us, which could include imposition of monetary penalties, revocation of the RBI Final Approval or such other penal actions and restrictions deemed fit by the RBI, the imposition of any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 39. In addition, we compete with informal sources of lending for microfinance loans, including moneylenders, landlords, local shopkeepers and traders.

On December 5, 2019, the RBI issued guidelines for on-tap licensing of Small Finance Banks, which allow applicants to apply for a Small Finance Bank license at any time, subject to the fulfilment of certain eligibility criteria and other conditions. We expect this to increase competition for us.

Consolidation in the industry driven by the merger of other banks is likely to further increase competition by creating larger, more homogeneous and potentially stronger competitors in the market. For example, on October 29, 2023, the board of directors of AU Small Finance Bank Limited approved the scheme of amalgamation for the amalgamation of Fincare Small Finance

Bank Limited into and with AU Small Finance Bank Limited, in accordance with the Section 44A of the Banking Regulation Act, 1949 and the Reserve Bank of India Master Direction - Amalgamation of Private Sector Banks Directions, 2016. The scheme of amalgamation is subject to approval of the respective shareholders of both banks, the RBI and the Competition Commission of India.

Increases in the size of operations of existing competitors or the entry of additional banks offering similar or a wider range of products and services could also increase competition.

Insurance

We maintain insurance policies that we believe are customary for Small Finance Banks. Our principal insurance policies are: (i) bankers' indemnity policy, which covers direct loss of money or securities; (ii) directors' and officers' liability insurance, including liability excess policy; (iii) insurance covering fire and allied perils, burglary and house breaking, plate glass, breakdown of electrical/mechanical appliances, electronic equipment, portable electronic equipment and fire loss of profit as well as terrorism; (iv) commercial general liability insurance, covering public liability (no-industrial) and all other liabilities (subject to certain exclusions); (v) cyber risk insurance; (vi) group health insurance; (vii) group life insurance; (viii) personal accident insurance; and (ix) a group COVID-19 insurance policy.

Intellectual Property

We have entered into a trademark licence agreement dated November 5, 2019 with JUF (the "**Trademark Agreement**"), pursuant to which JUF, the owner of the trademarks, has granted our Bank a non-exclusive, non-transferable, non-assignable license to use the trademarks "J" and "JANA" with further rights of adding any suffix/prefix to "J" logo and word "JANA" or file any device/logo mark within India, subject to prior intimation to JUF. The royalty payable by our Bank pursuant to the Trademark Agreement is 0.40% (excluding GST) of our Bank's revenue from operations, subject to an overall cap of ₹250 million per annum, which is to be reviewed annually. The term "revenue from operations" is not a line item in our Bank's financial statements and it is not defined in the Trademark Agreement. We have calculated the amount payable under the Trademark Agreement based on our Bank's Operating Income (Net Interest Income and other income). For futher details, see "*Risk Factors - 46. If we fail to successfully enforce our intellectual property rights or the agreement pursuant to which we have the non-exclusive license to use the trademarks " " and "JANA" is terminated, our business, results of operations and cash flows would be adversely affected*" on page 86. For further details on our intellectual property, see "*Government and Other Approvals – Intellectual Property*" on page 521.

Employees

The following table sets forth the numbers of our employees, categorised by function, as at the dates indicated

Functions	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Number of Employees			
Internal Audit	67	95	88	72
Collections	3,153	2,247	1,907	1,993
Compliance	13	12	15	14
Credit	367	414	636	511
Finance and Admin	69	65	70	68
Human Resources	80	73	59	53
Information Technology	53	57	22	18
Operations	2,288	2,158	2,405	2,533
Risk Management	49	36	31	15

Functions	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Number of Employees			
Sales	14,133	12,968	10,364	11,548
Treasury and Capital Markets	4	5	5	4
Others	79	54	39	38
Total	**20,355**	**18,184**	**15,641**	**16,867**

We believe our employees are one of the critical pillars of our business. Our goal is to drive their performance and productivity by empowering them with relevant training.

Each new employee goes through a mandatory on boarding, induction and functional training programme. Certain programmes, such as compliance, fraud risk and information security training, are mandatory for all employees. Specialists from various departments carry out training in areas of AML and customer due diligence.

Our online learning portal, called Diksha, offers a variety of training programs (both e-learning and classroom) to equip our employees in their domain as well as cross functions.

Our Head of Learning and Development won the 'Top 20 L&D Transformation Leaders' award at the seventh L&D Vision & Innovation Summit & Awards 2022.

We also encourage our employees to take part in training programmes that are delivered by external organizations as identified by themselves or their supervisors based on their learning requirements.

One of the key focuses has been integrating the employees and their families with our Bank. Families play a crucial role in supporting the employee's career and his mental well-being required to be successful in his or her role. Towards this effort our Bank has initiated a program called "Family Connect". Families of employees by branch or cluster are invited to our Bank, given updates on our Bank and its products, cheer rewards and recognition programs as well participate on recreation activities. In 2023, 512 families were connected through this program.

The tables below sets forth the attrition of our Key Management Personnel and Senior Management Personnel (combined) and our employees during the Fiscals indicated and the number of our Key Management Personnel and Senior Management Personnel (combined) and our employees as at the dates indicated.

Particulars	As at and for the half year ended September 30,		As at and for the year ended March 31,		
	2023	2022	2023	2022	2021
Attrition of Key Managerial Personnel for the period/year [A]	1	-	-	1	-
Attrition rate of Key Managerial Personnel for the period/year [B = A/D] (%)	25.00%	-	-	25.00%	-
Total Key Managerial Personnel as the end of the period/year [C]	3	3	3	3	3
Total Key Managerial Personnel as the end of the year plus Key Managerial Personnel who left during the period/year [D = A + C]	4	3	3	4	3
Attrition of Senior Management Personnel for the period[E]	1	3	3	2	2
Attrition rate of Senior Management Personnel for the period/year [F = E/H] (%)	7.14	18.75%	18.75%	13.33%	13.33%

Particulars	As at and for the half year ended September 30,		As at and for the year ended March 31,		
	2023	2022	2023	2022	2021
Total Senior Management Personnel as the end of the period/year [G]	13	13	13	13	13
Total Senior Management Personnel as the end of the period plus Senior Management Personnel who left during the period/year[H = A + C]	14	16	16	15	15

Particulars	As at and for the half year ended September 30,		As at and for the year ended March 31,		
	2023	2022	2023	2022	2021
Attrition of employees for the period/year [A]	3,698	3,901	9,631	8,912	7,698
Attrition rate of employees for the period/year [B = A/D] (%)	15.37%	19.67%	34.62%	36.30%	31.66%
Total employees as the end of the period/year [C]	20,355	15,934	18,184	15,641	16,867
Total employees as the end of the period plus employees who left during the period/year [D = A + C]	24,053	19,835	27,815	24,553	24,316

Properties

We do not own any real estate. As at September 30, 2023, we leased our corporate and registered office (which also contains a Branch), and 14 zonal offices (all of which contain a Branch) and leased/licensed 597 Branches.

Corporate and Social Responsibility

We strive to be a customer-centric organization that delivers essential financial services at scale to various customer segments in a transparent manner. We recognize the communities in which we work and we have a vision for positive impact. The Bank conducts its business with a double bottom line approach; this is, we measure out performance in terms of positive social impact. This approach is exemplified by both, our routine business operations as well as the programs we sponsor for our customers, employees and the community at large.

We undertake CSR initiatives under the following categories:

i. Skills & Development: promoting education, skill development program, empowering woman and any other support for society;

ii. Environmental challenges like floods, pandemics, natural calamities, environmental display board, and other unforeseen challenges;

iii. Health related support through activities organising health camps, ambulance related support, medical support to society;

iv. Schools, colleges or any other institutions and associations through activities like renovation, technology requirement or advancement, training and financial support; and

v. Ad-hoc CSR initiatives based on requests from the communities in which we have a presence.

The details with respect to our required minimum expenditure on CSR activities and our actual expenditure towards CSR activities for Fiscals 2023, 2022 and 2021 are set forth below:

Particulars	Year ended March 31,		
	2023	2022	2021
	(₹ in millions)		
Amount required to be spent during the Fiscal Year, including deficit of the previous Fiscal Year, as per Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 [A]	8.71	-	-
Amount spent during the Fiscal [B]	8.71	1.18	7.64
Excess/(deficit) of the amount required to be spent for the Fiscal [C] = [B] – [A]	**-**	**1.18**	**7.64**

Our expenditure on CSR activities was ₹17.85 million and ₹0.90 million for the half years ended September 30, 2023 and 2022, respectively.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain key sector specific laws and regulations in India, which are applicable to us. The information detailed in this section has been obtained from publications available in the public domain. The regulations and their descriptions set out below may not be exhaustive and are only intended to provide general information to the Bidders and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. As on the date of filing this Prospectus, the Bank is in compliance with the relevant RBI requirements/ laws applicable to SFBs.

Our Bank is engaged in the business of operating as a small finance bank primarily serving the unserved and underserved, with a focus on financial inclusion. We deliver our products and services through our business correspondents and our Branches. Other services include ATMs, ATM cum debit cards, mobile banking platforms, SMS alerts, internet banking portals and unified payment interface facilities. Under the provisions of various Central Government and State Government statutes and legislations, our Bank is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For information regarding regulatory approvals obtained by our Bank, see *"Government and Other Approvals"* on page 518.

The following is an overview of some of the important laws and regulations, which are relevant to our business as an SFB.

BANKING RELATED LEGISLATIONS

Banking Regulation Act, 1949, as amended ("Banking Regulation Act")

Banks in India are required to obtain a license from the RBI to carry on banking business in India. Such license is granted to the bank subject to compliance with certain conditions some of which include that: (i) the bank has or will have the ability to pay its present and future depositors in full as their claims accrue; (ii) the affairs of the bank are not or are not likely to be conducted in a manner detrimental to the interests of present or future depositors; (iii) the bank has adequate capital structure and earnings prospects; (iv) public interest will be served if such a license is granted to the bank; and (v) the general character of the proposed management of the company will not be prejudicial to public interest or the interests of the depositors. The RBI has the power to cancel the license if a bank fails to meet the conditions or if the bank ceases to carry on banking operations in India. Additionally, the RBI has issued various reporting and record-keeping requirements for such commercial banks. The appointment of the auditors of the banks is subject to the approval of the RBI. The RBI can direct a special audit in public interest, or in the interest of the banking company, or in the interest of its depositors. It also sets out the provisions in relation to the loan granting activities of a banking company. The Banking Regulation Act specifies the business activities in which a bank may engage. Banks are prohibited from engaging in other business activities. As per the Banking Regulation Act read with the gazette notification DBR.PSBD. No. 1084/16.13.100/2016-17 dated July 21, 2016 and in terms of the Master Direction on Acquisition and Holding of Shares or Voting Rightson Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 there is a limit of 26% on voting rights in respect of private sector banks. Pursuant to amendments to the Banking Regulation Act in January 2013, private sector banks are permitted, subject to the guidelines framed by the RBI, to issue preference shares in addition to ordinary equity shares.

Further, the Banking Regulation Act, requires any person to seek prior approval of the RBI, to acquire or agree to acquire, directly or indirectly, shares or voting rights of a bank, by himself or with persons acting in concert, wherein such acquisition (taken together with shares or voting rights held by him or his relative or associate enterprise or persons acting in concert with him) results in aggregate shareholding of such person to be 5% or more of the paid-up capital of a bank or entitles him to exercise 5% or more of the voting rights in a bank. Further, the RBI may, by passing an order, restrict any person or persons acting in concert with him, holding more than 5% of the total voting rights of all the shareholders of the banking company from exercising voting rights on poll in excess of the said 5%, if such person is deemed to be not fit and proper to hold shares or voting rights, by the RBI.

Further, the RBI requires the banks to create a reserve fund to which it must transfer not less than 25% of the net profit before appropriations. In terms of Section 17(2) of the Banking Regulation Act, if there is an appropriation from this account or the share premium account, the bank is required to report the same to the RBI within 21 days, explaining the circumstances leading to such appropriation. However, in terms of the RBI circular bearing number DBOD.BP.BC No. 31 / 21.04.018/ 2006-07 dated September 20, 2006, banks are advised in their own interest to take prior approval from the RBI before any appropriation is made from the statutory reserve or any other reserves.

Certain amendments also permit the RBI to establish a "Depositor Education and Awareness Fund" (the **"Fund"**), which will take over any credit balances in any account in India with a banking company which has not been operated upon for a period of 10 years or any deposit or any amount remaining unclaimed for more than 10 years. The credit balance or any deposit amount shall be credited to the Fund within a period of three months from the expiry of the said period of ten years. The bank shall be liable to repay a depositor or any other claimant at such rate of interest as may be specified by the RBI. In terms of the RBI circular bearing number DoR.DEA REC No.16/30.01.002/2021-22 dated May 11, 2021, rate of interest payable by the banks to the depositors/ claimants on the unclaimed interest bearing deposit amount transferred to the Fund shall be 3 per cent simple interest per annum.

The amendments also confer power on the RBI (in consultation with the central government) to supersede the board of directors of a banking company for a period not exceeding a total period of 12 months, in public interest or for preventing the affairs of the bank from being conducted in a manner detrimental to the interest of the depositors or any banking company or for securing the proper management of any banking company.

The appointment, re-appointment, or termination of the appointment of a chairman, managing director or whole-time director, manager, chief executive officer of a bank shall have effect only if it is made with the prior approval of the RBI. Further, no amendment in relation to the maximum number of permissible directors, remuneration of the chairman, managing director, whole-time director or any other director, manager, chief executive officer shall have effect unless approved by the RBI. RBI is also empowered to remove a chairman, director, chief executive officer or other officer or employee from office on the grounds of public interest, interest of depositors or securing the proper management. Moreover, RBI may order meetings of the board of directors to discuss any matter in relation to the bank, appoint observers to such meetings, make such changes to the management as it may deem necessary, and may also order the convening of a general meeting of the bank's shareholders to elect new directors. Banking companies are restricted from granting loans or advances on the security of its own shares, enter into any commitment for granting any loan or advance to or on behalf of (i) any of its directors; (ii) any firm in which any of its directors is interested as partner, manager, employee or guarantor or (iii) any company which is not a subsidiary of the banking company, a company registered under Section 25 of the Companies Act, 1956, a government company, a subsidiary or a holding company of which any of the directors of the banking company is a director, managing agent, manager, employee or guarantor or in which the director holds substantial interest; or (iv) any individual in respect of whom any of its Directors is a partner or a guarantor.

The RBI can impose penalties on banks, directors and its employees in case of infringement of regulations under the Banking Regulation Act. The penalty may be a fixed amount or may be related to the amount involved in the contravention. The penalty may also include imprisonment of the concerned director or employee. Banks are also required to disclose the penalty in their annual report.

The RBI Act, 1934, as amended ("RBI Act")

The RBI Act provides a framework for supervision of banking companies in India. The RBI Act was passed to constitute a central bank to, among other things, regulate the issue of bank notes and keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country. RBI may, subject to certain conditions, direct the inclusion or exclusion of any bank from the second schedule of the RBI Act. Scheduled banks are required to maintain cash reserves with the RBI. In this regard, RBI may stipulate an average daily balance requirement to be complied with by such banks and may direct that such banks regard a transaction or class of transactions as a liability. Further, RBI may direct any banking company to submit returns for the collection of credit information and may also furnish such information to a banking company upon an application by such company. RBI has the power to impose penalties against any person for *inter-alia* failure to produce any book, account or other document or furnish any statement, information or particulars which such person is duty-bound to produce or furnish under the RBI Act, or any order, regulation or direction thereunder.

Reserve Bank of India's Guidelines for Licensing of "Small Finance Banks" in the Private Sector dated November 27, 2014, updated as on March 28, 2020 (the "SFB Licensing Guidelines")

The RBI issued the SFB Licensing Guidelines and clarifications dated January 1, 2015, for licensing of SFBs in the private sector. The following is an indicative list of guidelines applicable to our Bank:

1. **Registration, licensing and regulations**: An SFB is required to be registered as a public limited company under the Companies Act and licensed under Section 22 of the Banking Regulation Act. The SFB is required to use the words "Small Finance Bank" in its name. SFBs are governed by the provisions of the Banking Regulation Act, RBI Act, FEMA, Payment and Settlement Systems Act, 2007, Credit Information Companies (Regulation) Act, 2005, as amended, Deposit Insurance and Credit Guarantee Corporation Act, 1961, as amended, and other relevant statutes and the directives, prudential regulations and other guidelines/instructions issued by RBI and other regulators from time to time. The SFBs will be given scheduled bank status once they commence their operations and are found suitable as per Section 42(6)(a) of the RBI Act. Pursuant to a notification dated March 28, 2020, titled 'Guidelines for Licensing of Small Finance Banks in Private Sector' dated November 27, 2014 – Modifications to existing norms (**"RBI March 28, 2020 Notification"**), the RBI revised certain requirements under the SFB Licensing Guidelines including, among other things; (i) providing general permission to all existing SFBs to open banking outlets subject to adherence to unbanked rural centre norms as per RBI circular DBR.No.BAPD.BC.69/22.01.001/2016-17 dated May 18, 2017; (ii) exempting all existing SFBs from seeking prior approval of the RBI for undertaking such non risk sharing simple

financial service activities, which do not require any commitment of own funds, after three years of commencement of business.

2. **Eligible promoters**: Resident individuals/professionals with ten years of experience in banking and finance and companies and societies owned and controlled by residents will be eligible as promoters to set up SFBs. Existing NBFCs, MFIs and local area banks that are owned and controlled by residents can also opt for conversion into an SFB. However, joint ventures by different promoter groups for the purpose of setting up SFBs would not be permitted. Promoters/ promoter groups should be 'fit and proper', on the basis of their past record of their sound credentials and integrity, financial soundness and successful track record of professional experience or of running their business for at least a period of five years in order to be eligible to promote SFB. Pursuant to the RBI March 28, 2020 Notification, the RBI clarified that the promoters of the existing SFBs could cease to be promoters or could exit from the bank after completion of a period of 5 years, depending on the RBI's regulatory and supervisory comfort/discomfort and SEBI regulations in this regard at that time.

3. **Scope of activities**: The SFB is required to primarily undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections and supply of credit to small business units, small and marginal farmers, micro and small industries, and other unorganised sector entities, through high technology-low cost operations. It can also undertake other non-risk sharing simple financial services activities, not requiring any commitment of own fund, such as distribution of mutual fund units, insurance products, pension products, etc. with the prior approval of RBI and after complying with the requirements of the sectoral regulator for such products. The SFB can also become a Category II Authorised Dealer in foreign exchange business for its clients' requirements. It cannot set up subsidiaries to undertake non-banking financial services activities. Further, the other financial and non-financial services activities of the promoters, if any, should be kept distinctly ring-fenced and not comingled with the banking business. The annual branch expansion plans should be compliant with the requirement of opening at least 25% of its branches in unbanked rural centres ("**URC**") (having population of up to 9,999 as per the latest census). A URC is a rural centre that does not have a core banking service-enabled 'banking outlet' of a scheduled commercial bank, a SFB, a payment bank or a regional rural bank nor a branch of local area bank or licensed co-operative bank for carrying out customer based banking transactions. In case of a conversion from NBFC/MFI, the SFB is allowed to preserve the advantages of the former structure for a period of three years from the date of commencement of their business, to align banking network with the extant guidelines. The existing structures would be treated as 'banking outlets' and would not be subjected to the 25% norm. However, for all new outlets opened or converted from the existing NBFC/MFI branches in a year shall be required to open at least 25% banking outlets in URCs. Further, there shall not be any restriction in the area of operations of a SFB, however, preference will be given to SFBs who are in the initial phase to set up the bank in a cluster of under-banked states/ districts, such as in the North-East, East and Central regions of India. Such SFBs shall not have any hindrance to expand to other regions in due course. It is expected from the SFBs that it shall be primarily responsive to local needs.

4. **Capital requirement**: The minimum paid-up equity capital of an SFB is required to be ₹1,000 million. It shall be required to maintain a minimum capital adequacy ratio of 15% of its risk weighted assets on a continuous basis, subject to any higher percentage as may be prescribed by RBI from time to time. The tier I capital should be at least 7.5% of the risk weighted asset. The tier II capital should be limited to a maximum of 100% of the tier I capital. Further, the capital adequacy ratio should be computed as per the Basel committee's standardised approaches.

5. **Promoter's contribution**: The promoter's minimum initial contribution to the paid-up equity capital of the SFB shall at least be 40% which shall be locked in for a period of five years from the date of commencement of business of the SFB. However, if an existing NBFC, MFI or local area bank has diluted the promoter's shareholding to less than 40% but above 26%, due to regulatory requirements or otherwise, the RBI may not insist on the promoter's minimum initial contribution. Further, the promoter's shareholding should be brought down in prescribed phases. If the initial shareholding of the promoters is more than 40%, it should be brought down to 40% within a period of five years and thereafter to 30% within 10 years and to 26% within 12 years from the date of commencement of business of the SFB. However, pursuant to the Master Direction on Acquisition and Holding of Shares or Voting Rightsand the Guidelines on Acquisition and Holding, a promoter is required to reduce its shareholding in a banking company to 26% on or prior to 15 years from the date of commencement of business of the banking company. Further, if an SFB reaches the net worth of ₹5,000 million, listing will be mandatory within three years of reaching that net worth.*

**Pursuant to the Recommendations of the Internal Working Group to Review Extant Ownership Guidelines and Corporate Structure for Indian Private Sector Banks dated November 26, 2021, RBI has provided that no intermediate sub-targets between five and 15 years may be required, however, at the time of issue of license, promoters may submit a dilution schedule while may be examined and approved by the RBI, the progress of which shall be periodically reported by the bank and shall be monitored by RBI. For further details, see " - Recommendation of the Internal Working Group to Review Extant Ownership Guidelines and Corporate Structure for Indian Private Sector Banks* *dated November 26, 2021" below on page 328.*

6. **Foreign shareholding**: Foreign shareholding would be as per the FDI Policy for private sector banks, as amended from time to time. As per the current FDI Policy, foreign direct investment is permitted up to 49% under the automatic route and up to 74% under government route in a private sector Indian bank.

   The aggregate limit for FPI investments shall be the sectoral caps applicable to our Bank (i.e. up to 74% of the paid-up capital of our Bank).

7. **Voting rights and transfer/ acquisition of shares**: The RBI Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies dated January 16, 2023, provide that as per the Banking Regulation Act read with the gazette notification DBR PSBD. No. 1084/16.13.100/2016-17 dated July 21, 2016, there is a limit of 26% on voting rights in respect of private sector banks. This will also apply to SFBs.

8. **Prudential norms**: The SFB will be subject to all prudential norms and regulations of RBI as applicable to existing commercial banks. Further, the SFB will have to comply with additional conditions/ norms such as extending 75% of its adjusted net bank credit to sectors eligible for classification as priority sector lending by RBI, while 40% of its adjusted net bank credit shall be allocated to different sub-sectors under priority sector lending as per the extant priority sector lending prescriptions, the SFB can allocate the balance of 35% to any one or more sub-sectors under priority sector lending where it has competitive advantage, maximum loan size and investment limit exposure to a single and group obligor being restricted to 10% and 15% of its capital funds, respectively, at least 50% of its loan portfolio should constitute loans and advances of up to ₹2.5 million, etc. However, after the initial stabilisation period of five years, and after a review, RBI may relax the above exposure limits. The SFB is also precluded from having any exposure to its promoters, major shareholders (who have shareholding of 10% of paid-up equity shares in the bank), and relatives (as defined in Section 2 (77) of the Companies Act, 2013 and rules made thereunder) of the promoters as also the entities in which they have significant influence or control (as defined under Accounting Standards AS 21 and AS 23).

9. **Corporate Governance**: The Board of the SFB should have a majority of independent directors. Further, the SFB will have to comply with the corporate governance guidelines including 'fit and proper' criteria for directors as issued by RBI from time to time.

10. **Others**:

    - Individuals (including relatives) and entities other than the promoters will not be permitted to have shareholding in excess of 10% of the paid-up equity capital. In case of NBFCs or MFIs converting to an SFB, if shareholding of entities (other than the promoters) in the NBFC is in excess of 10% of the paid-up equity capital, RBI may consider providing time up to 3 years for the shareholding to be brought down to 10%.
    - An SFB cannot be a Business Correspondent ("**BC**") for another bank. However, it can have its own BC network.
    - A promoter of an SFB cannot be granted licenses for both universal bank and small finance bank even if the proposal is to set them up under the non-operative financial holding company structure.
    - If an SFB wishes to transit into a universal bank, it will have to apply to the RBI for such conversion and fulfil the minimum paid-up capital / net worth requirement as applicable to universal banks and also comply with other criteria prescribed in this regard.
    - The operations of the bank should be technology driven from the beginning, conforming to generally accepted standards and norms; while new approaches (such as for data storage, security and real time data updating) are encouraged, a detailed technology plan for the same shall be furnished to RBI.
    - The compliance of terms and conditions laid down by RBI is an essential condition of grant of licence. Any non-compliance will attract penal measures including cancellation of licence of the bank.

Reserve Bank of India's Operating Guidelines for Small Finance Bank dated October 6, 2016 ("SFB Operating Guidelines")

The SFB Operating Guidelines are supplementary to SFB Licensing Guidelines. The SFB Operating Guidelines came into force considering the differentiated nature of business and financial inclusion focus of SFBs. The SFB Operating Guidelines set out the following:

1. **Prudential Regulation**: The prudential regulatory framework for the SFBs will be largely drawn from the Basel standards. However, given the financial inclusion focus of these banks, it will be suitably calibrated:

(a) **Capital adequacy framework**: The minimum capital requirement is 15%;

(b) **Leverage ratio**: The leverage ratio is 4.5%, calculated as percentage of Tier 1 capital to total exposure; and

(c) **Inter-bank borrowings**: SFBs are allowed exemption from the existing regulatory ceiling of interbank borrowings till the existing loans mature or up to three years, whichever is earlier. Afterwards, it will be on par with scheduled commercial banks. However, the borrowings made by the SFBs after the commencement of its banking operations shall be subject to inter-bank borrowing limits.

2. **Corporate governance**:

(a) **Constitution and functioning of board of directors:** The extant provisions as applicable to banking companies shall be applicable to SFBs as well. Specifically, in case of entities being converted into SFBs, the existing terms and conditions of appointment of directors will be grandfathered till completion of their present term; and

(b) **Constitution and functioning of committees of the board, management level committees, and remuneration policies:** The extant provisions in this regard as applicable to private sector banks, shall be applicable to SFBs as well.

3. **Banking Operations**:

(a) **Branch authorization policy**: SFBs should follow the extant instructions pertaining to the branch authorization policy applicable to scheduled commercial banks as laid down in the Rationalisation of Branch Authorisation Policy - Revision of Guidelines issued by the RBI on May 18, 2017 and March 28, 2020. SFBs are required to have 25% of their branches in unbanked rural centres within one year from the date of commencement of business. The SFBs are given three years from the date of commencement of the business to align with this requirement, however, during these three years, at least 25% of total number of branches opened by SFBs in a financial year should be in unbanked rural centres.

(b) **Regulation of Business Correspondents:** The SFBs may engage all permitted entities including the companies owned by their business partners and own group companies on an arm's length basis as business correspondents. These business correspondents can have their own branches managed by their employees operating as "access points" or may engage other entities/persons to manage the "access points" which could be managed by the latter's staff. In such cases, from the regulatory perspective, the SFB will be responsible for the business carried out at the 'access points' and the conduct of all the parties in the chain regardless of the organizational structure including any other intermediaries inserted in the chain to manage the BC network. Further, the Operating Guidelines also provide that the business correspondents must be doing online transactions/using point of sale terminals for doing transactions; and

(c) **Bank charges, lockers, nominations, facilities to disabled persons:** The extant provisions applicable to scheduled commercial banks shall be applicable to SFBs as well.

(d) **Marginal Cost of funds-based lending rate, other related regulations on interest rates and fair practice code for lenders:** The extant provisions applicable to scheduled commercial banks shall be applicable to SFBs as well.

4. **KYC requirements:** At their discretion, SFBs may (like all other banks) decide not to take the wet signature while opening accounts, and instead rely upon the electronic authentication/ confirmation of the terms and conditions of the banking relationship or account relationship keeping in view their confidence in the legal validity of such authentications or confirmations. However, all the extant regulations concerning KYC including those covering the submission of information to Central KYC registry, and any subsequent instructions in this regard, as applicable to commercial banks, would be applicable to SFBs.

Reserve Bank of India's Master Direction on Priority Sector Lending – Small Finance Banks – Targets and Classification dated September 4, 2020 updated as on July 27, 2023("Priority Sector Lending Regulations")

The Priority Sector Lending Regulations have consolidated certain pertinent circulars issued earlier, including the 'Master Direction on Priority Sector Lending – Small Finance Banks – Targets and Classification' dated July 29, 2019. The Priority Sector Lending Regulations apply to every commercial bank and primary (urban) co-operative bank other than salary earners' bank licensed to operate in India by the RBI. In terms of these regulations, the sectors categorised as priority sectors are agriculture, micro, small and medium enterprises ("**MSME**"), export credit, education, housing, social infrastructure, renewable energy and other sectors. Further, the Priority Sector Lending Regulations requires SFBs to have a target of 75% for PSL of their adjusted net bank credit or credit equivalent of off-balance sheet exposure. Further, for agriculture sector, micro enterprises and advance to weaker sections, the targets are 18%, 7.5% and 12% of the adjusted net bank credit respectively.

The sub-target for small and marginal farmers is increased from 9.5% currently to reach 10% in phased manner by financial year ending 2023-24 and weaker section target from 11.5% currently to reach 12% in phased manner by financial year ending 2023-24. In addition, certain other changes were made such as change in definition of MSME in line with Government of India (GoI), Gazette Notifications S.O. 2347(E) dated June 16, 2021 and S.O. 2119 (E) dated June 26, 2020 read with circulars RBI/2021-2022/63 FIDD.MSME & NFS.BC No. 12/06.02.31/2021-22 and RBI/2020-2021/10 FIDD.MSME & NFS.BC.No.3/06.02.31/2020-21read with FIDD.MSME & NFS. BC. No.4 /06.02.31/2020-21 dated July 2, 2020, August 21, 2020 respectively on 'Credit flow to Micro, Small and Medium Enterprises Sector' and updated from time to time.

In pursuance to the press release on 'On-Tap Liquidity Window for Contact-Intensive Sectors' issued on June 4, 2021, the Priority Sector Lending Regulations were further amended on June 11, 2021 to provide for a separate liquidity window of ₹150,000 million with tenors of up to three years at the repo rate till March 31, 2022 has been opened for certain contact-intensive sectors, i.e., hotels and restaurants; tourism - travel agents, tour operators and adventure/heritage facilities; aviation ancillary services - ground handling and supply chain; and other services that include private bus operators, car repair services, rent-a-car service providers, event/conference organisers, spa clinics, and beauty parlours/saloons. Banks are expected to create a separate COVID loan book under the scheme. Banks desirous of deploying their own resources without availing funds from the RBI under the scheme for lending to the specified segments mentioned herein above will also be eligible for this incentive. Pursuant to the amendment dated August 2, 2022 (updated as on July 27, 2023), loans not exceeding ₹2 lakhs provided by the banks to the members of self-help groups/joint-liability groups for activities other than agriculture or MSME i.e., loans for meeting social needs, construction or repair of house, construction of toilets or any viable common activity started by such groups are eligible for priority sector classification.

Reserve Bank of India's Press Release 'Statement on Developmental and Regulatory Policies' dated February 5, 2021, amended as on June 8, 2022

As a measure during the peak of the COVID-19 pandemic, the cash reserve ratio ("**CRR**") of all banks was reduced by 100 basis points to 3.00 per cent of net demand and time liabilities ("**NDTL**") effective from the reporting fortnight beginning March 28, 2020 up to March 26, 2021. On a review of monetary and liquidity conditions, it has been decided to gradually restore the CRR in two phases in a non-disruptive manner. Banks would now be required to maintain the CRR at 3.5 per cent of NDTL effective from the reporting fortnight beginning March 27, 2021 and 4 per cent of NDTL effective from fortnight beginning May 22, 2021 and further 4.5 per cent of NDTL effective from fortnight beginning May 21, 2022. Previously under the press release dated March 27, 2020 'Statement on Developmental and Regulatory Policies' banks were allowed to avail of funds under the marginal standing facility by dipping into the Statutory Liquidity Ratio ("**SLR**") up to an additional one per cent of NDTL, i.e., cumulatively up to three per cent of NDTL. This facility, which was initially available up to June 30, 2020 was later extended in phases up to March 31, 2021 and was further extended up to September 30, 2021.

Pursuant to the notification dated February 5, 2021 'Basel III Framework on Liquidity Standards – Net Stable Funding Ratio ("**NSFR**")', the implementation of NSFR by banks in India was deferred to April 1, 2021.While banks are comfortably placed on the liquidity front, in view of the continued stress on account of COVID-19, the RBI decided to defer the implementation of NSFR to October 1, 2021, which is now in force.

Pursuant to the notification dated January 6, 2022 'Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio ("**LCR**"), Liquidity Risk Monitoring Tools and LCR Disclosure Standards and Net Stable Funding ratio – Small Business Customers', the threshold limit for deposits and other extensions of funds made by non-financial small business customers has been increased from ₹50 million to ₹75 million for the purpose of maintaining liquidity coverage ratio. This has been done with an objective to align these guidelines with the Basel Committee on Banking Supervision standards and to enable the banks to manage liquidity risk more effectively. Currently it is implemented and stipulated at 100%.

Pursuant to the notification dated April 17, 2020, as updated on April 18, 2022 'Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio', banks are permitted to reckon government securities as Level 1 High Quality Liquid Assets ("**HQLAs**") under Marginal Standing Facility ("**MSF**") and Facility to Avail Liquidity for Liquidity Coverage Ratio ("**FALLCR**") within the mandatory SLR requirement up to 16% of their NDTL. Accordingly, the total HQLA carve out from the mandatory SLR, which can be reckoned for meeting LCR requirement will be 18% of NDTL (i.e. 2% of MSF plus 16% FALLCR).

Reserve Bank of India's Compendium of Guidelines for Small Finance Banks – Financial Inclusion and Development dated July 6, 2017

Considering the differentiated nature of business and financial focus of the SFBs and taking into account the important role that SFBs can play in the supply of credit to micro and small enterprises, agriculture and banking services, the RBI issued a specific compendium of guidelines for SFBs on areas relating to financial inclusion and development. SFBs are required to open at least 25% of its branches in unbanked rural centres. The identified priority sectors are agriculture, MSMEs, export credit, education, housing, social infrastructure, renewable energy and certain categories of loans identified therein. SFBs will have a target of 75% for priority sector lending of their adjusted net bank credit.

Press release issued by RBI on August 10, 2022 on digital lending and to implement the recommendations of the Working Group on Digital Lending ("WGDL")

The press release issued by RBI on August 10, 2022, aims to provide the regulatory stance of RBI on digital lending and to implement the recommendations of the WGDL including lending through online platforms and mobile applications.

In terms of the Press Release, digital lenders are classified into three groups:

(a) Entities regulated by the RBI and permitted to carry out lending business;

(b) Entities authorized to carry out lending as per other statutory/ regulatory provisions but not regulated by RBI; and

(c) Entities lending outside the purview of any statutory/ regulatory provisions.

All regulated entities, their lending service providers, digital lending apps of regulated entities, digital lending app of lending service provider engaged by regulated entities are the ones covered under the ambit of the category (b) above. For the entities in (c) above, the WGDL has suggested specific legislative and institutional interventions for consideration by the Central Government to curb the illegitimate lending activity being carried out by such entities.

Certain requirements that are mandatorily required to be followed by regulated entities, their lending service provider, digital lending apps of regulated entities, digital lending app of lending service provider engaged by regulated entities, are among other things as follows:

(a) Customer Protection and Conduct Requirements;

(b) Technology and Data Requirements; and

(c) Regulatory Framework.

Guidelines on digital lending issued by RBI on September 2, 2022 ("Guidelines on Digital Lending")

The guidelines issued by RBI on September 2, 2022 are applicable to digital lending extended by (a) all commercial banks, (b) primary (urban) co-operative banks, state co-operative banks, district central co-operative banks, and (c) non – banking financial companies (including house finance companies).

The Guidelines on Digital Lending require, among other things: (a) all loan disbursals and repayments to be executed only between the bank accounts of the borrower and the regulated entity without any pass-through/ pool account of the loan service provider or any third party; (b) all-inclusive costs of digital loans to be disclosed to the borrower; (c) a cooling-off period to be provided to borrowers, during which the borrowers can exit digital loans by paying the principal and the proportionate costs without any penalty; (d) the appointment of a nodal grievance redressal officer by loan service providers; and (e) reporting of loans to credit information companies. Additionally, the Recommendations have noted some issues for further examination by the RBI, which may be incorporated into the Guidelines on Digital Lending in the future.

In the Guidelines on Digital Lending, the RBI has also provided that regulated entities engaged in credit delivery through digital lending will have time until November 30, 2022 to comply with the lending norms for repeat and top up loans to existing digital lending customers.

Reserve Bank of India's Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff dated November 4, 2019 ("RBI Compensation Guidelines")

The Financial Stability Board brought out a set of Principles titled 'The Financial Stability Board Principles for Sound Compensation Practices, 2009', dated April 2, 2009 ("**FSB Principles**") and Implementation Standards titled 'FSB Principles for Sound Compensation Practices-Implementation Standards', dated September 25, 2009 with an aim to ensure effective governance of compensation, alignment of compensation with prudent risk taking and effective supervisory oversight and stakeholder engagement in compensation. The FSB Principles have been endorsed by the G-20 countries and the Basel Committee on Banking Supervision ("**BCBS**") which has published remuneration related reports and disclosure requirements. Pursuant to the stipulations in the reports and disclosure requirements published by BCBS, the RBI issued the RBI Compensation Guidelines which are based on the FSB Principles and are applicable to all private sector banks (including small finance banks) and foreign banks operating in India. In line with the FSB Principles banks are required to take steps to implement certain guidelines by putting in place necessary policies/systems. These guidelines include, among other things, formulation of a compensation policy, constitution of nomination and remuneration committee, alignment of compensation of whole-time directors/chief executive officers and material risk takers with prudent risk taking etc. All applications for approval of appointment/re-appointment or approval of remuneration/revision in remuneration of wholetime directors/chief executive officers shall be submitted to the RBI with the details as prescribed in the guidelines. These guidelines shall be applicable for pay cycles beginning from/after April 1, 2020.

Further, pursuant to RBI clarification dated August 30, 2021 to the RBI Compensation Guidelines, it was clarified that share-linked instruments are required to be fair valued on the date of grant using Black-Scholes model and a clarificatory language was included to the guidelines in relation to the same. Additionally, pursuant to the Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021, as amended, banks are required to make disclosure on remuneration of whole time directors/ chief executive officers/ material risk takers on an annual basis at the minimum, in their annual financial statements in table or chart format for previous as well as the current reporting year. It was also clarified that private sector banks are also required to disclose remuneration paid to the non-executive directors on an annual basis at the minimum, in their annual financial statements.

Reserve Bank of India's Guidelines on Compensation of Non-executive Directors of Private Sector Banks dated June 1, 2015

The board of directors of a private sector bank, in consultation with its remuneration committee, is required to formulate and adopt a comprehensive compensation policy for non-executive directors (other than part-time non-executive Chairman), subject to the requirements prescribed under the Companies Act, 2013. The Board may, at its discretion, provide for in the policy, payment of compensation in the form of profit related commission to the non-executive directors (other than the Part-time Chairman), subject to bank making profits. Such compensation, however, shall not exceed ₹1 million per annum for each non-executive director. In addition to the directors' compensation, the bank may pay sitting fees to the non-executive directors and reimburse their expenses for participation in the board and other meetings. Further, all private sector banks are required to obtain prior approval of RBI for granting remuneration to the part-time non-executive Chairman under Section 10B(1A)(i) and 35B of the Banking Regulation Act. Pursuant to the Master Direction on Financial Statements - Presentation and Disclosures dated August 30, 2021, as amended, the private sector banks are also required to disclose remuneration paid to the non-executive directors on an annual basis at the minimum, in their annual financial statements.

Reserve Bank of India's Master Direction on Financial Statements – Presentation and Disclosures dated August 30, 2021, updated as on October 25, 2023 ("Presentation and Disclosure Directions")

The Presentation and Disclosure Directions contain guidelines, instructions and directives on presentations and disclosures to enable banks to have the instructions on presentation and disclosure in financial statements at a centralised place. The directions specify the format of the balance sheet and profit and loss account, notes and instructions for compilation and mandatory disclosures in financial statements to supplement other regulatory disclosures. All commercial banks are mandated to segregate the credit entries outstanding for more than five years in the inter-branch account and transfer them to a separate blocked account. The directions also provide for the treatment of accounts, reserve funds, unreconciled balances, and other outstanding entries. Guidelines on specific issues with respect to accounting standards have been laid down among other things with respect to revenue recognition, change in foreign exchange rates, related party disclosures and segment reporting. All commercial banks are required to make disclosure on remuneration of whole-time directors/ chief executive officers/ material risk takers on an annual basis at the minimum, in their annual financial statements in table or chart format for previous as well as the current reporting year.

Reserve Bank of India's Master Circular - Mobile Banking Transactions in India- Operative Guidelines for Banks dated July 1, 2016, updated as on November 12, 2021 ("Mobile Banking Transaction Operative Guidelines")

The Mobile Banking Transaction Operative Guidelines contains all rules, regulations and procedures prescribed to be followed by banks for operationalizing mobile banking in India. Banks which are licensed, supervised and have physical presence in India are permitted to offer mobile banking services after obtaining one-time RBI approval. Only banks who have implemented core banking solutions are permitted to provide mobile banking services. Banks are required to put in place a system of registration of customers for mobile banking. Further, to meet the objective of a nation-wide mobile banking framework, facilitating inter-bank settlement, a robust clearing and settlement infrastructure operating on a 24x7 is mandated. Pending creation of such a national infrastructure, bank and non-banking entities may enter into bilateral or multilateral arrangement for inter-bank settlements, with express permission from the RBI, unless such arrangements have been authorized by the RBI under the Payment and Settlement System Act, 2007.

Reserve Bank of India's Master Direction on Digital Payment Security Controls, 2021 dated February 18, 2021 ("Digital Payment Security Control Directions")

The Digital Payment Security Control Directions are applicable to entities regulated by the RBI, specifically, scheduled commercial banks (excluding regional rural banks), small finance banks, payment banks and credit card issuing NBFCs. The Directions were issued in recognition of the pre-eminent role played by digital payment systems in India. RBI therefore found it imperative to reinforce security controls around it. The Directions enable the abovementioned regulated entities to set up a robust governance structure for payment systems by providing for common minimum standards of security controls for channels including mobile banking, internet, card payments etc. It mandates the formulation of a policy for digital payment products and services covering key aspects including risk management and mitigation measures, compliance with regulatory norms, customer experience.

Reserve Bank of India's Master Direction - Know Your Customer (KYC) Direction, 2016 dated February 25, 2016, updated as on January 4, 2024 ("KYC Directions")

KYC Directions are applicable to every entity regulated by RBI specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. Banks must also ensure adherence to the provisions of the Foreign Contribution (Regulation) Act, 2010 and rules made thereunder. The KYC policy formulated in terms of the KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. The KYC Directions also prescribe detailed instructions in relation to, among other things, the due diligence of customers (this includes verifying the customer and beneficial owner using reliable and independent sources of identification), record management and reporting requirements (such as the details of the person designated by the board of directors as a designated director etc.) to Financial Intelligence Unit – India.The RBI, pursuant to a circular dated January 9, 2020 titled "Amendment to Master Direction (MD) on KYC" read with the amended KYC Directions dated April 20, 2020, has provided that all regulated entities shall develop an application to enable a video based customer identification process i.e. digital KYC process at customer touchpoints, of their customers. As per Notification dated May 10, 2021, V-CIP is an alternate method of customer identification through audio-visual interaction by an authorised official as prescribed. It also inserted directions for Regulated entities to assess 'Money Laundering' and 'Terrorist Financing' risk for clients, transactions or delivery channels, products, services etc. and take measures to mitigate the same on a risk-based approach. The outcome of this exercise shall be put up to the Board or any committee of the Board formed in this regard and shall be made available to competent authorities and self-regulating bodies.

Reserve Bank of India's Master Circular on Prudential norms on income recognition, asset classification and provisioning pertaining to advances dated April 1, 2023 ("Master Circular on Prudential Norms")

The RBI, pursuant to its "Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances" issued on April 1, 2023, classifies NPAs into (i) sub-standard assets; (ii) doubtful assets; and (iii) loss assets. Banks are required to establish appropriate internal systems (including technology enabled processes) for proper and timely identification of NPAs and shall not take into account the availability of security or net worth of the borrower/guarantor for the purpose of treating advance as an NPA or otherwise, except in the cases laid down in the Master Circular on Prudential Norms. The circular also specifies provisioning requirements specific to the classification of the assets. By virtue of the "Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances" dated October 1, 2021, RBI has introduced an objective criterion for classification of assets of banks based on the period of non-performance, availability and realisable value of the security.

In July 2005, the RBI issued guidelines on sales and purchases of NPAs between banks, financial institutions and NBFCs. However, as per SFB Operating Guidelines, while SFBs are permitted to sell NPAs, they are not permitted to purchase NPAs. These guidelines require that the board of directors of a bank must establish a policy for purchases and sales of NPAs. An asset must have been classified as non-performing for at least two years by the seller bank to be eligible for sale. In October 2007, the RBI issued guidelines regarding valuation of NPAs being put up for sale.

Reserve Bank of India's Circular on Automation of Income Recognition, Asset Classification and Provisioning processes in banks dated September 14, 2020

The RBI, pursuant to a circular dated August 4, 2011 advised banks, among other things, to have appropriate IT system in place for identification of NPAs and generation of related data/returns, both for regulatory reporting and bank's own MIS requirements. In order to ensure the completeness and integrity of the automated asset classification (classification of advances/investments as NPA/NPI and their upgradation), provisioning calculation and income recognition processes, RBI under this circular advised banks to put in place / upgrade their systems latest by June 30, 2021. The circular extends the "coverage" to automated IT based systems, asset classification, calculation of provisioning requirements, income recognition/derecognition without any manual intervention. The circular also provides exceptions where the banks may resort to manual interventions/ over-ride the system-based asset classification subject to the various conditions including two level authorisation, appropriate audit trials and subjected to audit by concurrent and statutory auditors. Further, the bank is required to maintain logs of such manual intervention/ over-rides for a minimum period of three years. Banks are allowed to draw up their own standard operating procedure for system based NPA classification. The circular provides baseline requirements for the NPA classification and banks are required to adhere to the instructions while designing and maintaining their system as a part of supervisory assessment. In case of non-compliance with the instructions suitable supervisory/enforcement action can be initiated against the concerned bank.

Reserve Bank of India's (Prudential Framework for Resolution of Stressed Assets) Directions 2019 dated June 7, 2019 ("Framework for Resolution of Stressed Assets")

The RBI laid down directions under the Framework for Resolution of Stressed Assets with a view to aid early recognition, reporting and time bound resolution of stressed assets. The framework provided for entails a stage wise resolution plan which includes; (a) early identification and reporting of stress; (b) Implementation of resolution plan; (c) implementation conditions for the resolution plan; (d) delayed implementation of resolution plan.

Stressed assets shall be recognised by incipient stress in loan accounts immediately or default, by classifying such assets as special mention accounts which would further be categorised based on the number of days since the default has occurred. Following this, the resolution plan formulated by the Board of the Bank would become applicable.

Reserve Bank of India's Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector dated December 5, 2019 ("On-Tap Licensing Guidelines")

The RBI had, post review of the performance of existing small finance banks, issued the Draft Guidelines for 'on tap' Licensing of Small Finance Banks in the Private Sector dated September 13, 2019, to encourage competition amongst small finance banks, and subsequently, post consideration of responses received, issued the On-Tap Licensing Guidelines on December 5, 2019. Pursuant to the On-Tap Licensing Guidelines, the following are eligible promoters: (i) resident individuals/ professionals (Indian citizens), singly or jointly, each having at least 10 years of experience in banking and finance at a senior level; and (ii) companies and societies in the private sector, that are owned and controlled by residents (as defined in FEMA Regulations, as amended from time to time), and have a successful track record of running their businesses for at least a period of five years. Further, existing NBFCs, micro finance institutions and local area banks in the private sector that are controlled by residents (as defined in FEMA Regulations, as amended from time to time), and have a successful track record of running their businesses for at least a period of five years, can opt for conversion into SFBs after complying with applicable law. Promoters/promoter groups should be 'fit and proper' with, amongst other things, past record of sound credentials and integrity, financial soundness, a successful track record of professional experience or of running their business for at least a period of five years in order to be eligible to promote SFB. The SFB is required to be registered as a public limited company under the Companies Act and licensed under the Banking Regulation Act. The minimum net worth of such small finance banks shall be ₹1,000 million from the date of commencement of business. However, they will have to increase their minimum net worth to ₹2,000 million within five years from the date of commence of business. Further, the SFB is required to maintain a paid-up voting equity capital of ₹2,000 million, with certain exceptions, such as in case of SFBs which are transited from Primary (Urban) Co-operative Banks ("**UCBs**"), or converted from NBFCs/MFIs etc., for which the requirement is separately set out.

Further, promoters are required to hold a minimum of 40% of the paid-up voting equity capital of the SFB, which shall be locked-in for a period of five years from the date of commencement of business of the bank. Such shareholding is required to be reduced to a maximum of 30% and 15% of the paid-up voting equity capital within 10 years and 15 years, respectively, from the date of commencement of business of the SFB. Furthermore, SFBs are required to be mandatorily listed within three years of reaching a net worth of ₹5,000 million. The SFB will be subject to all prudential norms and regulations of the RBI as applicable to existing commercial banks.

Reserve Bank of India's Circular on Risk Based Internal Audit (RBIA) Framework – Strengthening Governance Arrangements dated January 7, 2021

Pursuant to the guidance note on Risk-Based Internal Audit dated December 27, 2002 issued by the RBI, under which it was required to put in place a risk based internal audit (RBIA) system as part of their internal control framework that relies on a well-defined policy for internal audit, functional independence with sufficient standing and authority within the bank, effective channels of communication, adequate audit resources with sufficient professional competence, among others. In an effort to stay with the evolving best practices, under this circular, banks are encouraged to adopt the International Internal Audit standards, like those issued by the Basel Committee on Banking Supervision (BCBS) and the Institute of Internal Auditors (IIA). To bring in uniformity to the approach of the Internal Audit Function, banks are advised to follow directions given on, authority, stature and independence, competence, staff rotation, tenor for appointment of head of internal audit, reporting line and remuneration. Lastly, the internal audit function shall not be outsourced. However, where required, experts, including former employees, could be hired on contractual subject to the audit committee of the board being assured that such expertise does not exist within the audit function of the bank.

Reserve Bank of India's Master Direction – Call, Notice and Term Money Markets Directions, 2021, dated April 1, 2021, updated as on June 8, 2023

The RBI issued master directions for participating in call, notice and term money markets on April 1, 2021. The directions are applicable to banks as defined under the Banking Regulation Act. Under the directions, "banks" have been defined as banking company (including a payment bank and a small finance bank) or a regional rural bank, a corresponding new bank or State Bank of India or a cooperative bank as defined under the Banking Regulation Act. Under the directions, participants shall be eligible to participate in the call, notice and term money markets, both as borrowers and lenders. The term "participants" have been defined to include scheduled commercial banks (excluding local area banks), payment banks, small finance banks, regional rural banks, state co-operative banks, district central co-operative banks and urban co-operative banks (hereinafter co-operative banks), and primary dealers. Prudential limits for outstanding lending transaction shall be decided by the participants with the approval of their board within the regulatory framework of the exposure norms prescribed by the Department of Regulation of the RBI. Prudential limits for outstanding borrowing transactions for scheduled commercial banks have been specified as (i) 100% of capital funds, on a daily average basis in a reporting fortnight, (ii) 125% of capital funds on any given day for call and notice money and internal board approved limit within the prudential limits for inter-bank liabilities, for term money. Further, the directions also specify provisions for cancellation and termination of transaction, reporting requirements of call, notice and term money transactions and the obligations of persons or agencies dealing in the call, notice and term money markets, including eligible participants to provide information sought by the RBI.

Reserve Bank of India's Circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board dated April 26, 2021, amended as on June 8, 2023

The RBI pursuant to issue of discussion paper on 'Governance in Commercial Banks in India' dated June 11, 2020, issued these instructions with regards to the chair and meetings of the board, composition of certain committees of the board, age, tenure and remuneration of directors, and appointment of the whole-time directors. The revised instructions are applicable to all the private sector banks including small finance banks and wholly owned subsidiaries of foreign banks. As per the circular, the chair of the board ('**Chair**') shall be an independent director and in the absence of Chair, the meetings of the board shall be chaired by an independent director. The circular also specifies the composition of various committees of the board including audit committee, risk management committee, and nomination and remuneration committee. The age and tenure and the remuneration of non-executive directors and tenure of managing director, chief executive officer and whole-time directors have also been provided. Further, to enable smooth transition to the revised requirements, banks are permitted to comply with these instructions latest by October 1, 2021. Specifically (i) the chair of board who is not an independent director on the date of issue of this circular is allowed to complete the current term as chair as already approved by the RBI and (ii) banks with MD & CEOs or WTDs who have already completed 12/15 years as MD & CEO or WTD, on the date these instructions coming to effect, are allowed to complete their current term as already approved by the RBI.

In addition to sitting fees and expenses related to attending meetings of the board and its committees as per extant statutory norms/ practices, the bank may provide for payment of compensation to non-executive directors in the form of a fixed remuneration commensurate with an individual director's responsibilities and demands on time and which are considered sufficient to attract qualified competent individuals. However, such fixed remuneration for non-executive directors, other than the Chair of the board, shall not exceed ₹2 million per annum.

Reserve Bank of India's Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021

The RBI issued the guideline for appointment/re-appointment of SCAs/ SAs of the entities on April 27, 2021 superseding all the previous guidelines as annexed in the guidelines. The guidelines are applicable to commercial banks (excluding RRBs), UCBs and NBFCs including HFCs for financial year 2021-22 and onwards. UCBs and NBFCs shall have the flexibility to adopt the guidelines from second half of financial year 2021-22 in order to ensure that there is no disruption. Under the guidelines, Commercial Banks and UCBs will be required to take prior approval of RBI for the appointment of SCAs/ SAs on annual basis. It also specifies the maximum number of SCAs/ SAs to be appointed by the board based on the asset size of the entity. Entities are required to appoint audit firms as it SCAs/ SAs fulfilling the eligibility norms and independence of auditors requirements as prescribed under these directions. Other criteria's including eligibility for appointment based on the asset size of the entity being audited (as on March 31 of the previous year), professional standards for discharge of audit responsibilities, tenure and rotation, and audit fees and expenses for SCAs/ SAs have been provided. Each entity is required to formulate a board approved policy to be hosted on its official website/ public domain and formulate necessary procedure thereunder to be followed for appointment of SCAs/ SAs.

Reserve Bank of India's Circular on Government Agency Business Arrangement – Appointment of Scheduled Private Sector Banks as Agency Banks of Reserve Bank of India dated May 10, 2021, updated as on December 15, 2021

The RBI issued a circular on appointment of scheduled private sector banks as agency banks of the RBI on December 15, 2021 in addition to the previous circular dated May 10, 2021. Pursuant to the circular, the scheduled payments banks and scheduled small finance banks have been made eligible to conduct government agency business. Any payment bank or small finance bank that intends to undertake the government agency business will be appointed as an agent of the RBI upon execution of an agreement with RBI, provided that the overarching regulatory framework prescribed for these banks including the condition that the concerned bank is not under Prompt Corrective Action framework or moratorium at the time of making the application or signing of the agreement with RBI, is complied with.

Reserve Bank of India's Guidelines on Authorised Dealer Category-I License Eligibility for Small Finance Banks dated August 8, 2022

The RBI pursuant to issue of the 'Guidelines for Licensing of Small Finance Banks in Private Sector' dated November 27, 2014 and 'Guidelines for 'on-tap' Licensing of Small Finance Banks in Private Sector' dated December 5, 2019, issued that a small finance bank can also become Authorised Dealer Category-II in foreign exchange business for its clients' requirements. The RBI issued the guideline on eligibility of SFBs for Authorised Dealer Category-I license with an objective of giving more flexibility to SFBs to meet their customers' foreign exchange business requirement. In terms of the guidelines, all the scheduled SFBs, after completion of at least two years of operations as Authorised Dealer Category-II, will be eligible for Authorised Dealer Category-I license, subject to compliance with the eligibility norms as prescribed in the guidelines including among other things, that (i) the bank should have been included in the second schedule of the RBI Act, 1934; (ii) the bank should have a minimum net worth of ₹5,000 million and its CRAR should not be less than 15%; (iii) the net NPAs of the bank should not exceed 6% during previous four quarters; and (iv) the bank should have made profits in the preceding two years; (v) the bank should not have defaulted in maintenance of CRR/SLR during the previous two years; (vi) the bank should not have any major regulatory and supervisory concerns; and (vii) should have a sound internal control system. The eligible SFBs are required to approach Foreign Exchange Department, Central Office, Reserve Bank of India with their applications along with the supporting documents with regard to their eligibility and requisite documents as prescribed in the guidelines.

Reserve Bank of India's Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) dated August 25, 2021, updated as on September 12, 2023 ("Investment Portfolio Directions")

The Investment Portfolio Directions requires banks to frame a comprehensive investment policy which shall include the broad investment objectives to be achieved while undertaking investment transactions on their own investment account and on behalf of clients, securities in which investments can be made by the bank, derivatives in which the bank shall deal, the authority to put through deals, procedure for obtaining the sanction of the appropriate authority, procedure for putting through deals, adherence to various prudential exposure limits, policy regarding dealings through brokers, systems for management of various risks, and guidelines for valuation of the portfolio and the reporting systems to. The investment policy should strictly observe the detailed instructions from the RBI regarding Separate Trading of Registered Interest and Principal Securities (STRIPS), short sale in Central Government dated securities, government securities on 'when issued' basis, value free transfer of government securities, transaction through subsidiary general ledger account, repo in government securities, retailing of government securities, settlement of transactions in government securities, internal control systems, engagement of brokers and audit, review and reporting. The entire investment portfolio of the bank is required to be classified in three categories – (i) held to maturity; (ii) available for sale; and (iii) held for trading and banks shall have the freedom to shift investments among categories with the approval for their board of directors, once a year. Banks are required to undertake investment activities as per the terms and conditions specified in the Investment Portfolio Directions.

Reserve Bank of India's Master Direction – Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 dated January 16, 2023 ("Master Direction on Acquisition and Holding of Shares or Voting Rights")

The RBI issued the Master Direction on Acquisition and Holding of Shares or Voting Rights in Banking Companies on January 16, 2023. The Master Direction on Acquisition and Holding of Shares or Voting Rightswill apply to all banking companies including local area banks, small finance banks and payment banks operating in India. Any banking company intending to make an acquisition that will likely result in major shareholding in a banking company is required to take prior approval of the RBI. 'Major shareholding' shall mean aggregate holding of 5% or more of the paid-up share capital or voting rights in a banking company. Further, if at any point in time the aggregate holding of the major shareholder falls below 5%, the person will be required to seek fresh approval from the RBI if the person intends to again raise the aggregate holding to 5% or more of the paid-up share capital or total voting rights of the banking company and such approval is required to be sought, in the prescribed form, within 30 days of the proposed acquisition. Additionally, persons from Financial Action Task Force non-compliant jurisdictions are not be permitted to acquire major shareholding in a banking company. Banking companies shall also continuously monitor (a) its major shareholders, (b) applicants for whom comments have been provided and (c) applicants who have been approved by the RBI to have major shareholding to ensure that they are 'fit and proper'. The Master Direction on Acquisition and Holding of Shares or Voting Rightsalso requires a banking company to put in place a mechanism to obtain information on any change in significant beneficial owner or acquisition by a person to the extent of 10 per cent or more of paid-up equity share capital of the major shareholder. Further, a mechanism shall be put in place to ensure that a major shareholder has obtained approval from the RBI. Additionally, it requires that the banking company shall report the details within 14 days of completion of the allotment process.

Reserve Bank of India's Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies dated January 16, 2023 ("Guidelines on Acquisition")

The Guidelines on Acquisition provide for the guidelines on the reporting requirements when any banking company intending to make an acquisition that will likely result in major shareholding in a banking company that will require prior RBI approval. Banking companies are required to make an application to the RBI in Form A and the applicant shall inform the banking company of any change in the information in the Form A or any other development which may have a bearing on the 'fit and proper' status. The Guidelines on Acquisition also prescribe limits on shareholding for promoter and non-promoter entities along with a lock-in of the acquirer's shares for a period of five years without any encumbrances and an obligation to report details of any encumbrances on shares that are not locked-in. Further, it provides the ceiling on voting rights as well.

Permission of the RBI to acquire shares or voting rights shall be subject to the following limits for non-promoters:

In the case of natural persons, non-financial entities and financial institutions that are owned to the extent of 50% or more or controlled by individuals (including, the relatives and persons acting in concert), the limit shall be 10% of the paid-up capital or voting rights of the banking company, and (ii) in the case of financial institutions excluding those mentioned in (i), supranational institutions, public sector undertaking and central/state government, the limit shall be at 15% of the paid-up capital or voting rights of the banking company. For promoters of a banking company, the limit shall be 26% of the paid-up share capital or voting rights after the completion of 15 years from commencement of business of the banking company. During the period prior to the completion of the 15 years, the promoters of banking companies may be allowed to hold a higher percentage of shareholding as part of the licensing conditions or as part of the shareholding dilution plan submitted by the banking company at the time of grant of license and approved by the RBI.

The Master Direction on Acquisition and Holding and the Guidelines on Acquisition and Holding, are required to be read together.

Reserve Bank of India's Master Direction on Cash Reserve Ratio and Statutory Liquidity Ratio dated July 20, 2021, updated as on September 25, 2023 ("CRR and SLR Directions")

The RBI has issued the CRR and SLR Master Directions on July 20, 2021. The CRR and SLR Master Directions are applicable to, amongst others, all scheduled commercial banks, small finance banks, payments banks and local area banks. In terms of the CRR and SLR Master Direction, the maintenance of CRR shall be reported to RBI under the following statutory returns, in Form A return for scheduled commercial banks, regional rural banks, small finance banks, payments banks and local area banks. The maintenance of SLR shall be reported to RBI under the following statutory returns, in Form VIII Return for scheduled commercial banks, small finance banks, payments banks and local area banks.

Reserve Bank of India's Master Direction on Transfer of Loan Exposures dated September 24, 2021, updated as on December 28, 2023 ("Master Direction on Transfer of Loan Exposures Directions")

The RBI issued the Master Direction on Transfer of Loan Exposures Directions on September 24, 2021. The Master Direction on Transfer of Loan Exposures Directions are applicable to all scheduled commercial banks, regional rural banks, primary (urban) co-operative banks, state co-operative banks and district central co-operative banks, all India financial institutions (NABARD, NHB, EXIM Bank & SIDBI), small finance banks and non-banking finance companies including housing finance companies. The Master Direction on Transfer of Loan Exposures Directions lay down the conditions for transfer of loans, including allowing transfer of loans by lenders to only certain permitted transferees. Further, the Master Direction on Transfer of Loan Exposures Directions lay down some requirements on all loan transfers, namely (i) having a board approved policy; (ii) transfer of economic interests without resulting in a change in underlying terms and conditions of the loan contract; (iii) clearly delineated roles and responsibilities of the transferor and the transferee; (iv) no credit enhancement or liquidity facilities in any form; (v) transferor cannot reacquire, except as a part of resolution plan under the Reserve Bank of India (Prudential Framework for Resolution for Stressed Assets) Directions, 2019; (vi) immediate separation of the transferor from the risks and rewards associated with loans; (vii) transferee to get right to transfer or dispose off the loans transferred; (viii) rights of obligors not to be affected; and (ix) monitor on an ongoing basis and in a timely manner performance information on the loans acquired, including through conducting periodic stress tests and sensitivity analyses, and take appropriate action required, if any.

Reserve Bank of India's Master Direction on Securitization of Standard Assets dated September 24, 2021, updated as on December 5, 2022 ("Master Direction on Securitization of Standard Assets Directions")

The RBI issued the Master Direction on Securitization of Standard Assets Directions on September 24, 2021. The Master Direction on Securitization of Standard Assets Directions will apply to all scheduled commercial banks, all-India term financial institutions, small finance banks, and non-banking finance companies. Securitisation involves transactions where credit risk in assets are redistributed by repackaging them into tradeable securities with different risk profiles which may give investors of various classes access to exposures which they otherwise might be unable to access directly. The Master Direction on Securitization of Standard Assets Directions aim to implement prudentially structured securitisation transactions to improve risk distribution and liquidity of lenders in originating fresh loan exposures. Further, the Master Direction on Securitization of Standard Assets Directions specify the Minimum Retention Requirement ("**MRR**") for different asset classes. For underlying loans with original maturity of 24 months or less, the MRR will be 5% of the book value of the loans being securitised. For those with original maturity of more than 24 months as well as loans with bullet repayments, the MRR shall be 10% of the book value of the loans being securitised. In the case of residential mortgage-backed securities, the MRR for the originator shall be 5% of the book value of the loans being securitised, irrespective of the original maturity. The Master Direction on Securitization of Standard Assets Directions also specified that the minimum ticket size for issuance of securitisation notes shall be ₹10 million.

Reserve Bank of India's Master Circular on Bank Finance to Non-Banking Financial Companies dated April 3, 2023 ("Master Circular on Bank Finance to NBFCs")

The RBI, pursuant to its Master Circular on Bank Finance to NBFCs dated April 1, 2022, specified the criteria for bank finance to NBFCs registered with RBI, to NBFCs not requiring registration and factoring companies. The Master Circular on Bank Finance to NBFCs will apply to all scheduled commercial banks. Further, the Master Circular on Bank Finance to NBFCs aims to lay down the RBI's regulatory policy regarding financing of NBFCs by banks. For bank finance to NBFCs registered with RBI, the ceiling on bank credit linked to net owned fund of NBFCs has been withdrawn. Accordingly, banks may extend need based working capital facilities as well as term loans to all NBFCs registered with RBI and engaged in infrastructure financing, equipment leasing, hire-purchase, loan, factoring and investment activities. Banks may also extend finance to NBFCs against second-hand assets financed by them. Banks may also formulate suitable loan policy with the approval of their boards of directors within the prudential guidelines and exposure norms prescribed by the RBI to extend various kinds of credit facilities to NBFCs. For NBFCs not requiring registration with RBI, banks may take their credit decisions on the basis of usual factors like the purpose of credit, nature and quality of underlying assets, repayment capacity of borrowers as also risk perception, etc. In relation to bank finance for factoring companies, banks can extend financial assistance to support the factoring business of factoring companies, which comply with the following criteria, namely (i) companies that qualify as factoring companies and carry out their business under the provisions of the Factoring Regulation Act, 2011; (ii) they derive at least 50% of their income from factoring activity; (iii) the receivables purchased /financed, irrespective of whether on 'with recourse' or 'without recourse' basis, form at least 50% of the assets of the factoring company; (iv) the assets / income referred to above would not include the assets / income relating to any bill discounting facility extended by the factoring company; and (v) the financial assistance extended by the factoring companies is secured by hypothecation or assignment of receivables in their favour.

The Recovery of Debts and Bankruptcy Act, 1993, as amended in 2021 ("RDB Act")

The RDB Act was enacted for adjudication of disputes pertaining to debts due to banks and financial institutions exceeding ₹2 million. The RDB Act provides for the constitution of debt recovery tribunals, before which banks and financial institutions may file applications for recovery of debts. Further, no court or other authority, except the Supreme Court or a High Court exercising jurisdiction under Articles 226 and 227 of the Constitution of India, shall have, or is entitled to exercise, any jurisdiction, powers or authority in relation to the aforementioned matter. The tribunals may pass orders for directions including *inter- alia* recovery of such dues by the bank as may be deemed fit along with a recovery certificate to such effect from the presiding officer of the respective tribunal; attachment of the secured properties towards the dues to the bank: injunctive orders restraining the debtors from alienating, transferring or disposing of such secured properties; appointment of receivers and/or local commissioners with respect to such secured properties and distribution of proceeds from sale of such secured properties towards dues. Pursuant to the recovery certificate being issued, the recovery officer of the respective debt recovery tribunal shall effectuate the final orders of the debt recovery tribunal in the application. Unless such final orders of the debt recovery tribunal have been passed with the consent of the parties to an application, an appeal may be filed against such final orders of the debt recovery tribunal before the debt recovery appellate tribunal, which is the appellate authority constituted under the RDB Act.

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended in 2021 ("SARFAESI Act")

The SARFAESI Act governs securitization of financial assets in India. The SARFAESI Act provides that any securitization or reconstruction company may acquire the financial assets of a bank or financial institution by either entering into an agreement with such bank or financial institution for the transfer of such assets to the company or by issuing a debenture or bond or any other security in the nature of the debenture, for consideration, as per such terms and conditions as may be mutually agreed between them. The SARFAESI Act further provides that if the bank or financial institution is a lender in relation to any financial assets acquired by the securitization/reconstruction company as stated above, then such company shall be deemed to be the lender in relation to those financial assets. Further, upon such acquisition, all material contracts entered into by the bank or financial institution, in relation to the financial assets, shall also get transferred in favour of the securitization/reconstruction company. The SARFAESI Act also enables banks and notified financial institutions to enforce the underlying security of an NPA without court intervention. Pursuant to an asset being classified as an NPA, the security interest can be enforced as per the procedure laid down in the Security Interest Enforcement Rules, 2002.

The Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018 dated July 24, 2018 ("Repo Directions"), updated as on November 28, 2019

The Repo Directions are applicable to repurchase transactions undertaken on stock exchanges, electronic trading platforms authorised by the RBI and over-the-counter market. The securities eligible for repurchase under the Repo Directions are government securities, listed corporate bonds and debentures subject to the condition that no participant shall borrow against the collateral of its own securities, or securities issued by a related entity, commercial papers, certificate of deposits, units of Debt Exchange Traded Funds and other such securities of a local authority as prescribed by the Central Government. Eligible participants include any regulated entity, listed corporate, unlisted company which has been issued special securities by the Government of India, using only such special securities as collateral, All India Financial Institution viz. Exim Bank, NABARD, NHB and SIDBI and any other entity approved by the Reserve Bank from time to time for this purpose. The Repo Directions prescribes the eligibility criteria, roles and obligations, application procedure for authorisation and exit procedure for tri-party agents. The Repo Directions provide that a repo shall be undertaken for a minimum period of one day and a maximum period of one year.

The Banking Ombudsman Scheme, 2006, as amended up to July 1, 2017 and Integrated Banking Ombudsman Scheme, 2021 (collectively, the "Ombudsman Scheme")

The Ombudsman Scheme provides the extent and scope of the authority and functions of the Banking Ombudsman for redressal of grievances against deficiency in banking services, concerning loans and advances and other specified matters. All scheduled commercial banks, regional rural banks and scheduled primary co-operative banks are covered under the Ombudsman Scheme. On July 1, 2017, the Ombudsman Scheme was amended to widen the scope of the scheme, among other things, to deficiencies arising out of sale of insurance/mutual fund/ other third party investment products by banks and now permitted customer to lodge a complaint against the bank for non-adherence to RBI instructions with regard to mobile banking/electronic banking services. The amended Ombudsman Scheme also provided for revised procedures for redressal of grievances by a complainant under the Ombudsman Scheme and increased the pecuniary jurisdiction of the Banking Ombudsman. The Banking Ombudsman receives and considers complaints relating to the deficiencies in banking or other services filed on the grounds mentioned in clause 8 of the Ombudsman Scheme and facilitates their satisfaction or settlement by agreement or through conciliation and mediation between the bank concerned and the aggrieved parties or by passing an Award in accordance with the Ombudsman Scheme. Further, the Reserve Bank of India, being satisfied that it is in public interest to do so, and to make the alternate dispute redress mechanism simpler and more responsive to the customers of entities regulated by it, integrated the three ombudsman schemes – (i) the Banking Ombudsman Scheme, 2006, as amended up to July 01, 2017; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019 into the Reserve Bank - Integrated Ombudsman Scheme, 2021 (the Scheme) which covers all the financial institutions regulated by it.

Prevention of Money Laundering Act, 2002, as amended in 2023 ("PMLA")

In order to prevent money laundering activities, the PMLA was enacted which seeks to prevent money laundering and to provide for confiscation of property derived from, or involved in money laundering, and for incidental matters connected therewith. Section 12 of the PMLA casts certain obligations on, among other things, banking companies in relation to preservation and reporting of customer account information. The RBI has advised all banks to go through the provisions of the PMLA and the rules notified thereunder and to take all steps considered necessary to ensure compliance with the requirements of section 12 of the PMLA.

In view of transactions in virtual currencies, RBI pursuant to a notification - DOR. AML.REC 18/14.01.001/2021-22 dated May 31, 2021, titled "Customer Due Diligence for transactions in Virtual Currencies", notified banks to continue carrying out customer due diligence processes in line with regulations governing standards for KYC, Anti-Money Laundering, Combating of Financing of Terrorism and obligations of regulated entities under PMLA in addition to ensuring compliance with FEMA for overseas remittances.

Ministry of Finance circular dated October 23, 2020 in relation to scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts

In view of the COVID-19 pandemic, the Ministry of Finance, Government of India has, pursuant to circular dated October 23, 2020, approved a scheme for grant of *ex-gratia* payment of difference between compound interest and simple interest by way of reliefs for the six months period from March 1, 2020 to August 31, 2020, to borrowers in specified loan accounts ("**Scheme**") dated October 26, 2020, benefits of which would be routed through lending institutions. The Scheme is applicable to all lending institutions, including, among other things, banking companies, public sector banks, NBFCs and housing finance companies. Borrowers in the following segments, who have loan accounts having sanctioned limits and outstanding amount not exceeding ₹20 million(aggregate of all facilities with lending institutions) as on February 29, 2020 shall be eligible under the Scheme, subject to certain conditions, namely (i) MSME loans; (ii) education loans; (iii) housing loans; (iv) consumer durable loans; (v) credit card dues; (vi) automobile loans; (vii) personal loans of professionals; and (viii) consumption loans. Under the Scheme, lending institutions can claim reimbursement in respect of the amounts credited to the accounts of the eligible borrowers, in the manner set out under the operational guidelines of the Scheme.

Recommendation of the Internal Working Group to Review Extant Ownership Guidelines and Corporate Structure for Indian Private Sector Banks, dated November 26, 2021

The internal working group of the RBI, constituted to review the extant guidelines on ownership and corporate structure in private sector banks, approved certain recommendations of the internal working group. The consequential amendments in the respective circulars/ master directions/ licensing guidelines will be carried out and notified by the RBI in due course. However, during the interregnum, all stakeholders may be guided by these decisions. The recommendations include (i) an increase in the cap of promoters' stake in the long run in private sector banks from 15% to 26% of the paid-up voting equity share capital, for the period post completion of the initial lock-in; (ii) removal of requirement for achievement of intermediate sub-targets for dilution of the promoter shareholding post completion of the 5 year mandatory promoter lock-in period until completion of 15 years; (iii) cap of 10% for non-promoter shareholding held by natural persons and all non-financial institutions/entities and 15% for non-promoter shareholding held by all categories of financial institutions/entities, supranational institutions, public sector undertakings or government; and (iv) benefit to be given to existing banks in case of relaxation of rules under new licensing guidelines, however, if new rules are tougher, legacy banks should also confirm to new tighter regulations, subject to the transition path being finalised in consultation with affected banks to ensure compliance with new norms in a non-disruptive manner.

Framework for acceptance of Green Deposits dated April 11, 2023 ("Green Deposit Circular")

Pursuant to the Green Deposit Circular, the RBI has introduced framework to encourage acceptance of green deposits and mobilization of resources towards green activities. Additionally, the Green Deposit Circular also requires the regulated entities to put in place a comprehensive board-approved policy and financing framework to ensure effective allocation of green deposits. The allocation of proceeds raised from green deposits shall strictly be done to specific activities prescribed within the regulations as such allocation is subject to third-party verification.

RBI Regulatory Framework in light of COVID-19

In view of the recent outbreak of the COVID-19 pandemic, the RBI has issued various circulars and other regulatory frameworks and relaxations to taken / to be availed by the respective banks to deal with the disruptions caused by the COVID-19 pandemic.

The RBI *vide* its circular dated March 16, 2020, has provided an indicative list of actions to be taken by the banks as part of their operations and business continuity plans including, among other things, take steps of sharing important instructions/ strategy with the staff members at all levels and sensitizing the staff members about preventive measures/steps to be taken in suspected cases, based on the instructions received from health authorities, from time-to-time, encourage their customers to use digital banking facilities, as far as possible, take stock of critical processes and revisiting business continuity plan in the emerging situations/scenarios with the aim of continuity in critical interfaces and preventing any disruption of services, due to absenteeism either driven by the individual cases of infections or preventive measures.

The RBI *vide* its circular dated May 23, 2020 has permitted the lending institutions to extend the Moratorium Period on payment of all instalments in respect of term loans (including agricultural term loans, retail and crop loans) by another three months i.e. from June 1, 2020 to August 31, 2020. In relation to working capital facilities sanctioned in the form of cash credit/overdraft, lending institutions are permitted to allow a deferment of another three months, from June 1, 2020 to August 31, 2020, on recovery of interest applied in respect of all such facilities. In respect of such working capital facilities, lending institutions are permitted, at their discretion, to convert the accumulated interest for the deferment period up to August 31, 2020, into a funded interest term loan which shall be repayable not later than March 31, 2021. As mentioned above, such changes will not be treated as concessions granted due to 'financial difficulty' of the borrower under the Prudential Framework and consequently, availing such a measure, will not, by itself, result in asset classification downgrade.

In respect of such working capital facilities sanctioned in the form of CC/OD to borrowers facing stress on account of the economic fallout of the pandemic, lending institutions may, as a one-time measure,

(i) recalculate the 'drawing power' by reducing the margins till August 31, 2020. However, in all such cases where such a temporary enhancement in drawing power is considered, the margins shall be restored to the original levels by March

31, 2021; and/or,

(ii) review the working capital sanctioned limits up to March 31, 2021, based on a reassessment of the working capital cycle.

The above measures under the RBI circular dated May 23, 2020, shall be contingent on the lending institutions satisfying themselves that the same is necessitated on account of the economic fallout from COVID-19. Further, accounts provided relief under these instructions shall be subject to subsequent supervisory review with regard to their justifiability on account of the economic fallout from COVID-19. Lending institutions may, accordingly, put in place a Board approved policy to implement the above measures.

The RBI has also issued a notification on August 6, 2020 titled “Resolution Framework for COVID-19-related Stress” (“**Resolution Framework 1.0**”). Under this Resolution Framework 1.0, lending institutions are required to frame policies, as approved by their board of directors, for implementation of viable resolution plans for eligible borrowers pursuant to the Resolution Framework 1.0 and ensure that the resolution plans under this facility are extended only to borrowers bearing stress on account of the COVID-19 pandemic.

The RBI vide its circular dated August 6, 2020, with a view to continue the need to support the viable MSME entities on account of the fallout of COVID-19 and to align these guidelines with the Resolution Framework 1.0 announced for other advances, decided to extend the scheme permitted in terms of the aforesaid circular. Accordingly, existing loans to MSMEs classified as 'standard' can be restructured without a downgrade in the asset classification, subject to certain conditions.

Further, the RBI also issued notification on May 5, 2021 titled “Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses” (“**Resolution Framework - 2.0**”). Under this, the lending institutions are permitted to offer a limited window to individual borrowers and small businesses to implement resolution plans in respect of their credit exposures while classifying the same as Standard. The RBI in its notification on June 4, 2021, had revised the threshold for aggregate credit exposure with respect to resolution of advances to individuals and small businesses. The Resolution Framework – 2.0 also permits lending institutions to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. without the same being treated as restructuring. Lending institutions also needs to comply with the disclosures and credit reporting requirements pursuant to the Resolution Framework – 2.0.

The RBI *vide* its circular dated April 17, 2020 on “COVID-19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets” read with “COVID-19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets” dated May 23, 2020, provided detailed instructions in relation to the extension of resolution timelines under the Prudential Framework on Resolution of Stressed Assets. In respect of accounts which were within the review period as on March 1, 2020, the period from March 1, 2020 to August 31, 2020 shall be excluded from the calculation of the 30-day timeline for the review period. In respect of all such accounts, the residual review period shall resume from September 1, 2020, upon expiry of which the lenders shall have the usual 180 days for resolution. In respect of accounts where the review period was over, but the 180-day resolution period had not expired as on March 1, 2020, the timeline for resolution shall get extended by 180 days from the date on which the 180-day period was originally set to expire.

In order to accommodate the burden on banks’ cash flows on account of the COVID-19 pandemic, the RBI *vide* its circular dated April 17, 2020, has permitted banks to maintain liquidity coverage ratio as under: (i) April 17, 2020 to September 30, 2020 – 80%; (ii) October 1, 2020 to March 31, 2021 – 90%; and (iii) April 1, 2021 onwards – 100%.

The RBI *vide* its circular dated April 29, 2020 has extended the timelines for submission of various regulatory returns by RBI regulated entities to the Department of Regulation by a period of 30 days from the due date in lieu of the disruptions caused by the pandemic. The extension will be applicable to regulatory returns required to be submitted up to June 30, 2020. No extension in timeline is permitted for submission of statutory returns i.e. returns prescribed under the Banking Regulation Act, 1949, RBI Act, 1934 or any other act (for instance, returns related to CRR/SLR). Further, all communication to the Department of Regulation should be through corporate e-mail to the extent possible (i.e., without involving physical movement of papers) until further notice.

The RBI vide its circular dated August 6, 2021 on “Resolution Framework for COVID-19-related Stress –Financial Parameters – Revised timelines for compliance” (**“Resolution Framework - 3.0”**), decided to defer the target date for meeting the specified thresholds in respect of the four operational parameters i.e. total debt/EBIDTA, current ratio, debt service coverage ratio and average debt service coverage ratio to October 1, 2022. This has been done in view of the resurgence of the COVID-19 in 2021 and recognising the difficulties it may pose for the borrowers in meeting these operational parameters.

Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package, dated April 7, 2021

The notification is pursuant to the Supreme Court of India has pronounced its judgement in the matter *of Small Scale Industrial Manufacturers Association v. UOI & Ors*. ("**Judgement**") and other connected matters on March 23, 2021. Commercial banks, including small finance banks shall immediately put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the Judgement. The reliefs shall be applicable to all borrowers, including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed, in terms of the 'COVID-19 regulatory packages' dated March 27, 2020 (DOR.No.BP.BC.47/21.04.048/2019-20) and May 23, 2020 (DOR.No.BP.BC.71/21.04.048/2019-20). Lending institutions shall disclose the aggregate amount to be refunded/adjusted in respect of their borrowers based on the above reliefs in their financial statements for the year ending March 31, 2021.With respect to the asset classification, in order to comply with the Judgement, (i) in respect of accounts which were not granted any moratorium in terms of the Covid19 Regulatory Package, asset classification shall be as per the criteria laid out in Master Circular on Prudential Norms (given above) or other relevant instructions as applicable to the specific category of lending institutions (**IRAC Norms**); (ii) in respect of accounts which were granted moratorium in terms of the Covid19 Regulatory Package, the asset classification for the period from March 1, 2020 to August 31, 2020 shall be governed in terms of the circular 'COVID19 Regulatory Package - Asset Classification and Provisioning' dated April 17, 2020 (DOR.No.BP.BC.63/21.04.048/2019-20) read with the circular COVID-19 – Regulatory Package dated May 23, 2020 (DOR.No.BP.BC.71/21.04.048/2019-20). For the period commencing September 1, 2020, asset classification for all such accounts shall be as per the applicable IRAC Norms.

FOREIGN INVESTMENT LAWS

The foreign investment in our Bank is governed by, among other things, the FEMA, as amended, the FEMA Regulations, the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") effective from October 15, 2020 issued and amended by way of press notes.

Foreign investment in private sector banks, carrying on activities approved for FDI, will be subject to the conditions specified in the FDI Policy.

As per the FDI Policy, the aggregate foreign investment in a private sector bank from all sources will be allowed up to a maximum of 74% of the paid-up capital of the bank (automatic up to 49% and government approval route beyond 49% and up to 74%). This 74% limit will include investment under the Portfolio Investment Scheme (PIS) by FPIs, NRIs. At all times, at least 26% of the paid-up capital will have to be held by residents, except in regard to a wholly owned subsidiary of a foreign bank.

In case of NRIs, individual holdings are restricted to 5% of the total paid-up capital both on a repatriation and a non-repatriation basis and the aggregate limit cannot exceed 10% of the total paid-up capital both on a repatriation and a non-repatriation basis. However, NRI holdings can be allowed up to 24% of the total paid-up capital both on a repatriation and a non-repatriation basis subject to a special resolution to this effect passed by the banking company's general body.

Further, in the case of FPIs, individual FPI holding is restricted to below 10% of the total paid-up capital of the company, aggregate limit for all FPIs cannot exceed 24% of the total paid-up capital of the company, which can be raised to the sectoral cap/statutory ceiling, as applicable, until March 31, 2020 (in case of private sector banks it can be raised up to 49% of the total paid-up capital of the bank) through a resolution by its board of directors followed by a special resolution to that effect by its General Body, and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The aggregate limit for FPI investments shall be the sectoral caps applicable to our Bank (i.e., automatic up to 49% and government route beyond 49% and up to 74%).

All investments shall be subject to the guidelines prescribed for the banking sector under the Banking Regulation Act and the RBI Act. The RBI guidelines relating to acquisition by purchase or otherwise among others, shares of a private bank, if such acquisition results in any person owning or controlling 5% or more of the paid-up capital or voting rights of the private bank will apply to foreign investment as well. As per the Banking Regulation Act read with the gazette notification DBR.PSBD. No. 1084/16.13.100/2016-17 dated July 21, 2016, there is a limit of 26% on voting rights in respect of private sector banks, and this should be noted by potential investors.

Foreign Trade Policy ("Policy 2023")

The GoI released the Policy 2023 which comes into effect from April 1, 2023, to promote exports and facilitate ease of doing business for exporters. The Policy 2023 is based on four pillars: (i) Incentive Remission, (ii) Export promotion through collaboration, (iii) Ease of doing business, and (iv) Emerging areas. The Policy 2023 moves away from an incentive regime to a facilitative one, based on technology and principles of collaboration. It codifies implementation mechanisms in a paperless, online environment. The Policy 2023 has also identified 4 new towns to the present 39 towns that have priority access to export promotion funds and will also be able to avail common service provider benefits for export fulfillment. Further, exporter firms with 'status' based on export performance will now be partners in capacity building initiatives. Additionally, the Policy 2023 aims to build partnerships with state government, places emphasis on the export control regime, relaxes import duty of raw materials and has introduced provisions for merchanting trade.

TAX LAWS

- In addition to the aforementioned material legislations which are applicable to our Bank, some of the tax legislations that may be applicable to the operations of our Bank include:
- Income Tax Act 1961, as amended by the Finance Act in respective years;
- Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder;
- State-wise legislations in relation to professional tax; and
- The Foreign Account Tax Compliance Act (FATCA).

LABOUR LAWS

In addition to the aforementioned material legislations which are applicable to our Bank, some of the labour legislations that may be applicable to the operations of our Bank include:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Factories Act, 1948;
- Child Labour (Prohibition and Regulation) Act, 1986;
- Inter State Migrant Workers Act, 1979;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Minimum Wages Act, 1948;
- Industrial Disputes (Banking and Insurance Companies) Act, 1949
- Employee's Compensation Act, 1923;
- Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996;
- Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017; and;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013.
- Maternity Benefit Act, 1961, the state-wise acts and rules made thereunder as amended; and
- Shops and Establishment Act, 1963, the state-wise acts and rules made thereunder.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

a) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

b) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board, and other provisions of this code will be brought into force on a date to be notified by the Central Government.

c) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

d) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. Section 142 of the Code on Social Security, 2020 has been brought into force from May 3, 2021 by the Ministry of Labour and Employment through a notification dated April 30, 2021 and other provisions of this code will be brought into force on a date to be notified by the Central Government.

DATA PROTECTION AND PRIVACY LAWS

The Digital Personal Data Protection Act, 2023 (the "DPDPA" or the "Act")

The DPDPA enacted on August 11, 2023, replaces the earlier data protection provision (Section 43A) of the IT Act. The Act aims to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. All data fiduciaries, determining the purpose and means of processing personal data, are mandated to provide an itemised notice in plain and clear language containing a description of the personal data sought to be collected along with the purpose of processing such data. The DPDA further provides that where consent is the basis of processing personal data, the data principal providing the consent, may withdraw such consent at any time. Data principals will have the right to demand the erasure and correction of data collected by the data fiduciary. Any data processed prior to such withdrawal shall be considered lawful.

The Act introduces the concept of 'certain legitimate uses' under Section 7, in instances where the data principal provides personal data (i) to the data fiduciary voluntarily, (ii) for performance of function under any law, or service or benefit to the data principal, (iii) in compliance with a judgment or order, (iv) responding to medical emergency involving threat to life or immediate threat to health of the data principal or any other individual, (v) for provision of medical treatment or health services during an epidemic, outbreak of diseases or any other public threat to public health, (vi) for taking measures to ensure safety during any disaster or any breakdown of public order, (vii) for purposes related to employment including prevention of corporate espionage, maintenance of confidentiality of trade secrets, intellectual property, classified information, recruitment, termination of employee, or (viii) in public interest as defined in the Bill.

It further imposes certain obligations on data fiduciaries including (i) implementation of technical and organisational measures to ensure compliance, (ii) adopting reasonable security safeguards to prevent personal data breach, (iii) ensuring that personal data processed is accurate and complete, (iv) informing the Data Protection Board of India (the "**Data Protection Board**") regarding any personal data breach, (v) deleting or removing personal data no longer in use or necessary for legal or business purposes, (vi) publishing the business contact information of the data protection officer, (vii) implementing a grievance redressal mechanism to redress grievances of data principals, and (viii) processing of data under a valid contract. The Act provides for the rights and duties to be complied with the data principals. The Act provides for exclusive jurisdiction of grievances to the Data Protection Board, with a recourse to alternate dispute resolution mechanisms. Any form of non-compliance shall attract financial penalty as prescribed in Schedule I of the Act, not exceeding ₹ 2,500 million in each instance.

OTHER LEGISLATIONS

In addition to the aforementioned material legislations, our Bank is governed by the provisions of the Companies Act, SEBI Act, SCRA along with the rules, regulations and guidelines made thereunder and other key circulars and regulations as provided below:

- Central KYC Registry Operating Guidelines 2016;
- Circular on Outsourcing of Financial Services – Responsibilities of regulated entities employing Recovery Agents, dated August 12, 2022;

- Establishment of Digital Banking Units dated April 7, 2022;
- Master Circular - Disclosure in Financial Statements - Notes to Accounts dated July 1, 2013;
- Master Circular - Know Your Customer (KYC) norms / Anti-Money Laundering (AML) standards / Combating of Financing of Terrorism (CFT) / Obligation of banks under PMLA, 2002 dated July 1, 2015;
- Master Circular on Customer Service in Banks (2015);
- Master Direction - Credit Card and Debit Card – Issuance and Conduct Directions, 2022 dated April 21, 2022;
- Master Direction - Reserve Bank of India (Interest Rate on Advances) Directions, 2016, updated as on September 12, 2023;
- Master Direction - Reserve Bank of India (Interest Rate on Deposits) Directions, 2016, updated as on October 26, 2023;
- Master Direction - Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022, updated as on July 25, 2022;
- Master Direction on Frauds - Classification and Reporting by commercial banks and select FIs dated July 1, 2016,updated as on July 3, 2017;
- Master Directions on Prepaid Payment Instruments dated August 27, 2021, updated as on February 10, 2023;
- Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2018;
- Rationalisation of Branch Authorisation Policy- Revision of Guidelines, May 2017;
- Reserve Bank of India's Consolidated Circular on Opening of Current Accounts and CC/OD Accounts by Banks, dated April 19, 2022;
- Reserve Bank of India's Large Exposures Framework dated June 3, 2019;
- Reserve Bank of India's Legal Entity Identifier (LEI) for Borrowers dated April 21, 2022;
- Reserve Bank of India's Lending by Commercial Banks to NBFCs and Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to priority sectors dated May 13, 2022;
- Reserve Bank of India's Safe Deposit Locker/Safe Custody Article Facility provided by the banks - Revised Instructions dated August 18, 2021; and
- Unique Identification Authority of India (Authentication Division) circular number 1 of 2018, dated January 10, 2018 on Enhancing Privacy of Aadhar Holders – Implementation of Virtual ID, UID Token and Limited KYC, and other applicable circulars.

Our Bank is also required to comply with Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015, Negotiable Instruments Act, 1881, Payment and Settlements Systems Act, 2007, Companies Act, 2013 and various intellectual property and environment protection related legislations and other applicable statutes, rules, regulations, notifications, circulars, policies and guidelines for its day to day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Bank

Our Bank was incorporated as 'Janalakshmi Financial Services Private Limited' on July 24, 2006 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the RoC. Janalakshmi Financial Services Private Limited, was granted a certificate of registration dated March 4, 2008 by RBI to commence the business of non-banking financial institution without accepting public deposits and was converted into an NBFC-MFI with effect from September 5, 2013. Subsequently, pursuant to a Board resolution dated June 1, 2015 and a Shareholders' resolution dated June 29, 2015, our Bank was converted into a public limited company under the Companies Act, 1956 with effect from August 10, 2015 and the name of our Bank was changed from 'Janalakshmi Financial Services Private Limited' to 'Janalakshmi Financial Services Limited', and a fresh certificate of incorporation of our Bank was issued by the RoC under such name. Janalakshmi Financial Services Limited, was granted a fresh certificate of registration as a non-banking financial institution without accepting public deposits dated September 18, 2015 pursuant to such name change. Our Bank, then known as Janalakshmi Financial Services Limited was granted an in-principle approval by the RBI to convert into an SFB on October 7, 2015. Thereafter, our Bank received the final approval dated April 28, 2017 from the RBI, to establish and carry on business as an SFB. Pursuant to resolutions passed by the Board and Shareholders on May 30, 2017 and January 12, 2018 respectively, the name of our Bank was changed from 'Janalakshmi Financial Services Limited' to 'Jana Small Finance Bank Limited', and a fresh certificate of incorporation dated January 29, 2018 was issued by the RoC consequent upon the change of name. Our Bank commenced its business as an SFB with effect from March 28, 2018 and its name was included in the second schedule to the RBI Act pursuant to a notification dated July 16, 2019 issued by the RBI.

Changes in the registered office

Except as disclosed below, there has been no change in registered office of our Bank since the date of incorporation.

Date of change in the registered and office	Details of change in the registered office	Reasons for change in the registered office
August 25, 2018	From 29, Union Street, off Infantry Road, Bengaluru 560 001, Karnataka, India to, The Fairway Business Park #10/1,11/2,12/2B, off Domlur Koramangala Inner Ring Road, next to EGL, Challaghatta, Bengaluru 560 071, Karnataka, India	Operational efficiency
June 15, 2017	From Rajashree Saroja Plaza, No. 34/1, Andree Road, Shanti Nagar, Bengaluru 560 071, Karnataka, India to 29, Union Street, off Infantry Road, Bengaluru 560 001, Karnataka, India	Administrative convenience
January 7, 2011	From 1st Floor, UNI Building, 30/1, Thimmaiah Road, Vasanth Nagar, Bengaluru 560 052, Karnataka, India to Rajashree Saroja Plaza, No. 34/1, Andree Road, Shanti Nagar, Bangalore 560 071, Karnataka, India	Administrative convenience

Main objects of our Bank

The main objects contained in our Memorandum of Association are as follows:

1. *"To carry on the business of a small finance banking company to undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganised sector entities and for this purpose, to accept, for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.*

2. *ln addition to the business of banking to carry on, subject to the guidelines prescribed by the Reserve Bank of India applicable to a small finance bank, the business of:*

   (a) *borrowing, raising or taking up of money; lending or advancing of money either upon or without security; drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and others instruments and securities whether transferable or negotiable or not; granting and issuing of letters of credits, travellers' cheques and circulars notes; buying, selling and dealing in bullion and specie; buying and selling of and dealing in foreign exchange including foreign bank notes; acquiring holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; purchasing and selling of bonds, scrips or other forms of securities on behalf of itself, its constituents or others; negotiating of loans and advances, receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise; providing of safe deposit* *vaults; collecting and transmitting of money and all kinds of securities; issuing credit cards, meal vouchers and extending any other credits;*

(b) *carrying on any other business specified in the Banking Regulation Act, 1949, and such other forms of business which the Central Government has pursuant to that Act, or Reserve Bank of India has, specified or may from time to time specify as a form of business in which it would be lawful for a small finance banking company to engage.*

3. *To carry on the business of distribution of pension products, mutual fund units, insurance products, and merchant banking, investment banking, portfolio investment management and corporate consultants and advisors.*

4. *To carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services.*

5. *To carry on and transact the business of giving guarantees and counter guarantees and indemnities whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property or assets of the Bank both present and future wherever situate or in any other manner and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under debentures, bonds, debenture-stock, mortgage, charges, contracts, obligations and securities and the repayment of the capital moneys and the payment of dividends in respect of stocks and shares or the performance of any such other obligations.*

6. *To solicit or procure insurance business as corporate agents, to promote, organise, manage or undertake the activities of insurance intermediaries including insurance or reinsurance brokers, consultants, surveyors, loss assessors, loss control engineers, risk managers, actuarial analyst and to promote, organise, manage or undertake, marketing, trading, distribution or servicing of insurance and assurance products to all kinds, whether life or general; financial, investment or other products including (without limitation) securities, stocks, shares, debentures, bonds, units, certificates or services offered by the Bank and/or by any persons, firm, company, body corporate, mutual fund, Government, State, public body or authority, supreme, municipal, local or otherwise, through the Bank's branches or offices."*

The main objects as contained in our Memorandum of Association enable our Bank to carry on the business presently being carried out and proposed to be carried out by it.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholders' resolution/ Effective date	Particulars
September 4, 2023	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Bank from ₹5,500,000,000 divided into 100,000,000 equity shares of ₹10 each and 450,000,000 preference shares of ₹10 each to ₹ 5,850,000,000 divided into 135,000,000 equity shares of ₹10 each and 450,000,000 preference shares of ₹10 each.
August 1, 2022	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Bank from ₹3,500,000,000 divided into 100,000,000 equity shares of ₹10 each and 250,000,000 preference shares of ₹10 each to ₹5,500,000,000 divided into 100,000,000 equity shares of ₹10 each and 450,000,000 preference shares of ₹10 each
October 16, 2019	Clause V of the MoA was amended to reflect the decrease in the authorised share capital of our Bank from ₹13,276,000,000 divided into 827,600,000 equity shares of ₹10 each and 500,000,000 preference shares of ₹10 each to ₹3,500,000,000 divided into 100,000,000 equity shares of ₹10 each and 250,000,000 preference shares of ₹10 each
November 23, 2018	Clause V of the MoA was amended to reflect the reclassification of authorised share capital of our Bank from ₹ 13,276,000,000 divided into 1,327,600,000 equity shares of ₹10 each to ₹13,276,000,000 divided into 827,600,000 equity shares of ₹10 each and 500,000,000 preference shares of ₹10 each
January 12, 2018	• Clause I of the MoA was amended to reflect a change in name of our Bank from 'Janalakshmi Financial Services Limited' to 'Jana Small Finance Bank Limited' • Clause III of the MoA was amended to reflect the following change in the main objects: *"1. To carry on the business of a small finance banking company to undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganised sector entities and for this purpose, to accept, for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise, and withdrawable by*

Date of Shareholders' resolution/ Effective date	Particulars
	cheque, draft, order or otherwise. *2. ln addition to the business of banking to carry on, subject to the guidelines prescribed by the Reserve Bank of India applicable to a small finance bank, the business of:* *(a) borrowing, raising or taking up of money; lending or advancing of money either upon or without security; drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and others instruments and securities whether transferable or negotiable or not; granting and issuing of letters of credits, travellers' cheques and circulars notes; buying, selling and dealing in bullion and specie; buying and selling of and dealing in foreign exchange including foreign bank notes; acquiring holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds; purchasing and selling of bonds, scrips or other forms of securities on behalf of itself, its constituents or others; negotiating of loans and advances, receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise; providing of safe deposit vaults; collecting and transmitting of money and all kinds of securities; issuing credit cards, meal vouchers and extending any other credits* *(b) carrying on any other business specified in the Banking Regulation Act, 1949, and such other forms of business which the Central Government has pursuant to that Act, or Reserve Bank of India has, specified or may from time to time specify as a form of business in which it would be lawful for a small finance banking company to engage.* *3. To carry on the business of distribution of pension products, mutual fund units, insurance products, and merchant banking, investment banking, portfolio investment management and corporate consultants and advisors.* *4. To carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services.* *5. To carry on and transact the business of giving guarantees and counter guarantees and indemnities whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property or assets of the Bank both present and future wherever situate or in any other manner and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under debentures, bonds, debenture-stock, mortgage, charges, contracts, obligations and securities and the repayment of the capital moneys and the payment of dividends in respect of stocks and shares or the performance of any such other obligations.* *6. To solicit or procure insurance business as corporate agents, to promote, organise, manage or undertake the activities of insurance intermediaries including insurance or reinsurance brokers, consultants, surveyors, loss assessors, loss control engineers, risk managers, actuarial analyst and to promote, organise, manage or undertake, marketing, trading, distribution or servicing of insurance and assurance products to all kinds, whether life or general; financial, investment or other products including (without limitation) securities, stocks, shares, debentures, bonds, units, certificates or services offered by the Bank and/or by any persons, firm, company, body corporate, mutual fund, Government, State, public body or authority, supreme, municipal, local or otherwise, through the Bank's branches or offices."* • Clause III (B) of the MoA (Objects Incidental and Ancillary to Attainment of the Main Objects of the MoA) was amended by altering the erstwhile sub clauses 1 to 35 and incorporating existing clauses 1 to 49. • Clause III (C) (Other Objects) not included in (A) and (B) of the MoA was deleted. • Clause V of the MoA was amended to reflect the reclassification of authorised share capital of our Bank from ₹ 13,276,000,000 divided into 127,600,000 class A equity shares of ₹10 each and 1,200,000,000 preference shares of ₹10 each to ₹13,276,000,000 divided into 1,327,600,000 class A equity shares of ₹10 each and 500,000,000 preference shares of ₹10 each
August 9, 2017	Clause V of the MoA was amended to reflect the increase in the authorised share capital from ₹1,276,000,000 divided into 127,600,000 class A equity shares of ₹10 each to ₹13,276,000,000 divided into 127,600,000 class A equity shares of ₹10 each and 1,200,000,000 preference shares of ₹10 each
June 30, 2016	Clause V of the MoA was amended to reflect the reclassification of the authorised share capital from ₹1,276,000,000 divided into 5,500,000 Class "A" equity shares of ₹10 each and 122,100,000 preference shares of ₹10 each to ₹1,276,000,000 divided into ₹127,600,000 Class "A" equity shares of ₹10 each
December 18, 2015	Clause V of the MoA was amended to reflect the increase and reclassification of the authorised share capital from ₹1,270,000,000 constituted of 5,000,000 Class "A" equity shares of ₹10 each and 122,000,000 preference shares of

Date of Shareholders' resolution/ Effective date	Particulars
	₹10 each to ₹1,276,000,000 constituted of 5,500,000 Class "A" equity shares of ₹10 each and 122,100,000 preference shares of ₹10 each
June 29, 2015	Clause I of the MoA was amended to reflect a change in name of our Bank from 'Janalakshmi Financial Services Private Limited' to 'Janalakshmi Financial Services Limited'
October 28, 2014	Clause V of the MoA was amended to reflect the increase in the authorised share capital from ₹750,000,000 constituted of 5,000,000 Class "A" equity shares of ₹10 each, and 70,000,000 preference shares of ₹10 each, into ₹1,270,000,000 constituted of 5,000,000 Class "A" equity shares of ₹10 each and 122,000,000 preference shares of ₹10 each

Major events and milestones of our Bank

Calendar year	Event
2023	• We have recorded our highest ever PAT of ₹ 2,559.71 million for the financial year ended March 31, 2023; • Investment of ₹ 3,066.19 million raised by new investors; • Investment by Dovetail, Deepak Talwar, Volrado, Singularity in the Bank of ₹200 million, ₹ 10 million, ₹530 million, and ₹ 380 million, respectively; • We have a pan-India distribution network and as on March 31, 2023, we crossed 754 branches of which 272 are Unbanked Rural Centers and 61 ATMs; • Our gross AUM was ₹201,018.01 million as on March 31, 2023
2021	• Our gross AUM was ₹ 153,473.37 million as on March 31, 2021
2020	• Our gross AUM was ₹112,630.35 million and served over 3.05 million active customers as on September 30, 2020; • Crossed ₹102,299.09 million deposit as on September 30, 2020; • Launch of DigiGen – Fully integrated, paperless and digital account opening and KYC process; • Launched Two-Wheeler Loan
2019	• Included in the second schedule to the RBI Act; • Launched Affordable Housing Loan; • Investment by Amansa Holdings Pte. Ltd and Hero Enterprise Partner Ventures in the Bank of approximately ₹2,150 million and ₹300 million, respectively
2018	• Investment by HarbourVest Partners Co-Investment Fund IV L.P and ICICI Lombard General Insurance Company in the Bank of approximately ₹2,574 million and ₹503 million, respectively; • Launched Gold Loan; • Commenced Commercial Operations as an SFB
2017	• Received RBI Final Approval for commencement of SFB operations; • Investment by Bajaj Allianz Life Insurance Company Limited, Bajaj Allianz General Insurance Company Limited and ICICI Prudential Life Insurance in the Bank of approximately ₹1,500 million, ₹50 million and ₹1,000 million, respectively
2016	Investment by Caladium Investment Pte. Ltd in the Bank of approximately ₹3,705 million
2015	• Received in-principal approval by the RBI to convert to an SFB; • RBI granted certificate of registration to commence the business of non-banking financial institution without accepting public deposits

Calendar year	Event
	• Incorporation of our Bank
2014	Investment by TPG Asia VI SF Pte. Ltd in the Bank of approximately ₹2,486 million
2008	RBI granted certificate of registration to commence the business of non-banking financial institution without accepting public deposits to Janalakshmi Financial Services Limited

Awards, accreditations and recognitions received by our Bank

Calendar Year	Awards
2023	Best Data Quality- SFB Consumer Award 2022-23 by TransUnion CIBIL Limited
2022	Award for 'Best IT Risk Management' by Indian Banks Association
2020	Campaign Decade - Plus - award by RMAI Flame Awards Asia
2020	Featured in 'Fortune – The top 500' list of largest corporations in India for the year 2020
2020	Winner at the cfi.co Inclusive Finance Awards for 'Best Inclusive Financial Service India 2020' by CapitalFinance International
2020	CSR award for excellence in BFSI sector by Golden Globe Tigers 2020 in December 2020
2020	Campaign Decade - Plus - Gold award by RMAI Flame Awards Asia
2019	Runner-up at the Global Leadership Award 2019 by Dale Carnegie
2018	Winner at the cfi.co Finance Awards for 'Best Inclusive Financial Service India 2018' by CapitalFinance International
2017	Featured in 'Fortune – The top 500' list of largest corporations in India for the year 2017
2017	Goodwill Brand Award 2017 by Process Evaluators and Research, BARC Asia
2016	'Best Financial Service Firm in India' by VC Circle for the year 2016

Time and cost over-runs

There have been no time and cost over-run in the setting up of any of the banking outlets or offices of our Bank or in respect of our business operations.

Defaults or re-scheduling of borrowings

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Bank from any financial institutions or banks.

Significant financial and strategic partners

As of the date of this Prospectus, our Bank does not have any significant financial or strategic partners.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Bank, entry into new geographies or exit from existing markets, see "*Our Business*" on page 255.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years

Our Bank has not made any material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc., in the last 10 years preceding the date of this Prospectus.

Holding Company

As of the date of this Prospectus, our Bank does not have a holding company.

Our Subsidiaries

As of the date of this Prospectus, our Bank has no subsidiaries.

Joint Venture

As of the date of this Prospectus, our Bank has no joint ventures.

Shareholders' agreements and other agreements

Key terms of subsisting shareholders' agreements

Restated shareholders' agreement dated June 9, 2016 entered into between our Bank, Ramesh Ramanathan ("RR"), JUF, JHL, JCL, Badri Narayan Pilinja ("BP"), CRL, ERL, KP Samuel and Alwyn D'Souza, as trustees of GP II Trust (Ajay Tandon) and GP II Trust (Siva Shankar) (together referred to as "GP II Trusts"), India Financial Inclusion Fund ("IFIF"), ENAM, Vallabh Bhanshali ("VB"), Vallabh Bhanshali HUF ("VB HUF"), Tree Line, North Haven, Alpha TC, QRG, TPG Asia VI SF Pte. Ltd ("TPG"), GAWA 2 and Caladium Investment Pte Ltd. ("Caladium") read with deeds of adherence entered into with (i) Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz General Insurance Company Limited; (ii) ICICI Prudential Life Insurance Company Limited and ICICI Lombard General Insurance Company Limited ("ICICI Lombard"); (iii) the HV Entities and the HarbourVest Entities; (iv) Amansa Holdings Pte Ltd ("Amansa"); (v) Hero Ventures (including certain shareholders who acquired Hero Venture's CCPS); (vi) the HV Entities; and (vii)Volrado, Dovetail, Deepak and Singularity, dated September 7, 2017, April 5, 2018, April 5, 2018, March 28, 2019, March 29, 2019, August 23, 2018, and June 27, 2023 respectively; assignment and assumption agreements entered into between Hero Ventures and (i) Amer Investments (Delhi) Limited; (ii) Ananta Capital Ventures Fund 1; (iii) Bengal Rubber Company Limited; (iv) Bharti (Satya) Family Trust; (v) Central India Industries Limited; (vi) Elpro International Limited; (vii) Par Solar Private Limited; (viii) Puran Associates Private Limited; (ix) Ranchi Enterprise and Properties Limited; (x) S Four Capital; (xi) Spark Fund Advisors LLP; and (xi) Universal Trading Company Limited dated August 9, 2023, August 9, 2023, August 9, 2023, August 14, 2023, August 9, 2023, August 8, 2023, August 9, 2023, August 9, 2023, August 9, 2023, August 9, 2023, August 9, 2023 and August 9, 2023, respectively; and assignment and assumption agreements entered into between Spark Fund Advisors LLP and (i) P Deepak; (ii) Dhankalash Distributors Private Limited; (iii) NABS Vriddhii LLP; (iv) Tarak Bhikhalal Madhani HUF; (v) Bijoy Paulose; (vi) Genesis Exports Ltd Limited; (vii) Kairos Capital Trust; (viii) Valluru Venkat Ruthvik Reddy; (ix) S Four Capital; and (x) Wizworth Invest dated September 12, 2023, September 12, 2023, September 12, 2023, September 12, 2023, September 13, 2023, September 12, 2023, September 12, 2023, September 20, 2023, August 28, 2023, and October 3, 2023 respectively (collectively, the "Bank SHA"), as amended by the waiver cum amendment agreement dated July 27, 2023 ("Bank WCA"), as further amended by Second SHA Amendment Agreement.

Our Bank, Ramesh Ramanathan, JUF, JHL, JCL, BP, CRL, ERL, GP II Trust and the Investors (defined below) have entered into the Bank SHA, *inter alia*, to record their *inter-se* rights and obligations in relation to our Bank. Pursuant to the terms of the SHA, HarbourVest Entities, GAWA 2, CRL, ERL, GP II Trust, ENAM, Tree Line, North Haven, Alpha TC, QRG, TPG, Caladium, VB, VB HUF, BALIC, BAGIC, ICICI Prudential, ICICI Lombard, Amansa and Hero Ventures ("**Investors**") are entitled to jointly recommend one person to the Board for appointment as a non-retiring nominee director ("**Investor Director**"). Pursuant to the terms of the Bank SHA, all directors of the Bank shall be liable to retire by rotation save for the Investor Director and independent directors. RR, JUF and JHL ("**Erstwhile Promoters**") are entitled to appoint a part-time chairman on the Board of the Bank in accordance with applicable laws. Each Investor has the right to conduct certain financial reviews of our Bank at any time on the basis of the audited financial statements of the Bank. Subject to applicable law (including the SEBI Insider Trading Regulations), the Investors also have the right to receive certain information from the Erstwhile Promoters under the Bank SHA, including management review reports, annual budget, minutes of meetings, management or audit investigative reports, annual business plans, capital expenditure budgets, details of *force majeure* events and any other information required by the Investors. Further, our Bank is required to provide full access to the Investors, investor groups and their representatives to visit and inspect all properties, assets and records of our Bank. Further, prior written consent of the Investors is required in the event any transaction resulting in any Investor (apart from TPG, Caladium, NPHEA or GRG) being diluted fully, any Investor being provided rights that are more favourable than the rights available to other Investors, and any liabilities being assumed by our Bank which would not have occurred other than a result of such transfer. In relation to any rights in the Bank SHA, the Investors shall be entitled to aggregate the Equity Shares held by any member of the investor group with those held by the Investors.

The parties to the Bank SHA have entered into the Bank WCA, which was effective from the date of the Draft Red Herring Prospectus, and shall remain in effect until the earlier of: (i) the IPO long stop date, i.e., March 31, 2024, or such later date as may be mutually agreed in writing between the parties; (ii) consummation of the Offer; or (iii) the date on which the Board decide not to undertake the Offer ("**Term**"), in the manner as set out in the Bank WCA. Pursuant to the Bank WCA, each party has agreed to exercise its information rights under the Bank SHA, in accordance with the applicable law.

Pursuant to the Bank WCA, the Investors are entitled to jointly recommend one person to the Board for appointment as a non-retiring nominee director and the Board shall appoint such person as a non-retiring nominee director ("**Nominee Director**") for so long as any of the Investors continue to be shareholders of the Bank. Upon the consummation of the IPO, the Investors and JCL will be entitled to exercise such rights only after receipt of approval of the public shareholders by way of a special resolution, at the first sharholders' meeting held by the Bank post listing of its Equity Shares pursuant to an IPO. For avoidance of doubt, the Investors shall cease to have the right to appoint a Nominee Director upon all of the Investors ceasing to be shareholders in the Bank, notwithstanding any subsequent acquisition of Equity Shares by any of the Investors in the Bank and upon consummation of the Offer, whichever is earlier. Further, each Party has agreed to waive *inter alia*, its anti-dilution rights, transfer and exit rights (subject to compliance with the exit provisions in connection with the Offer), for the duration of the Term, in the manner set out in the Bank WCA. Further, pursuant to the Bank WCA, the Erstwhile Promoters are no longer entitled to appoint the part-time chairman on the Board. In the event that the Offer is not completed on or prior to the IPO long stop date, or if the Board decides not to undertake the Offer, the Bank WCA shall stand immediately and automatically terminated with effect from the IPO long stop date or the date on which the Board decides not to undertake the IPO, without any further action by any Party and the provisions of the Bank SHA shall be deemed to have been in force during the period between the execution date and the date of termination of the Bank WCA, without any break or interruption whatsoever. Upon consummation of the IPO, the Bank SHA will fall away automatically.

Shareholders' agreement dated February 11, 2016 entered into between JCL, JUF and Ramesh Ramanathan, Raghunath Srinivasan and V. S. Radhakrishnan, North Haven, QRG, TPG, Caladium and ENAM, as amended by the amendment agreement dated September 25, 2017 ("JCL SHA"), as amended by the waiver cum amendment agreement dated July 27, 2023 ("JCL WCA")

JCL, JUF, Ramesh Ramanathan, Raghunath Srinivasan,V.S. Radhakrishnan, North Haven, QRG, TPG, Caladium and ENAM, have entered into the JCL SHA, *inter alia*, to record their *inter-se* rights and obligations of the JUF and Ramesh Ramanthan (collectively, the "**JCL Promoters**"), and North Haven, QRG, TPG and Caladium (collectively, the "**Major Investors**") and ENAM (collectively with the Major Investors, referred to as the "**Investors**") as shareholders of JCL. Pursuant to the terms of the JCL SHA, each of the Major Investors are individually entitled to appoint one non-retiring nominee director, so long as they hold the minimum equity shareholding prescribed under the JCL SHA, and JUF is entitled to appoint two non-retiring independent directors to the board of directors of JCL, so long as it holds the minimum shareholding percentage set out in the JCL SHA. Pursuant to the term of the JCL SHA, the Investors have the right to receive information in respect of JCL and any person in which JCL has a direct or indirect interest and/or shareholding, including our Bank ("**JCL Group**"), including financial information, management review reports, annual budget, audit reports or investigative reports, annual business plans, capital expenditure budgets, and any other information required by the Investors. Further, JCL is required to provide full access to the Investors, investor groups and their representatives to visit and inspect all properties, assets and records of JCL. The Major Investors have affirmative vote rights in respect of certain matters involving the JCL Group including any changes in class rights for shares of any entity forming part of the JCL Group, changes in composition of the board or sub-committees of the board, any change in the issued, subscribed or paid-up share capital of the JCL Group, and creation or adoption of any new or additional equity option plan, or change in any existing equity option plan by any entity forming part of the JCL Group. JCL requires the prior consent of North Haven in respect of certain matters, such as, any amendment to the memorandum and articles of association of the JCL Group and any changes in class rights for shares (directly or indirectly) for any class of shares held by North Haven of any entity forming part of the JCL Group. Further, the JCL Group is not permitted to undertake any new business without the consent of the Major Investors. Further, pursuant to the terms of the JCL SHA, JCL and the JCL Promoters are required to merge JCL, JHL and our Bank, or adopt any other alternative structure acceptable to the Major Investors, in each case, in accordance with applicable laws.

The parties to the JCL SHA have entered into the JCL WCA, which is effective from the date of filing of the Draft Red Herring Prospectus with SEBI by the Bank, and shall remain in effect until the earlier of (i) the IPO long stop date i.e., March 31, 2024, or such later date as may be mutually agreed in writing between the parties; (ii) the consummation of the IPO; or (iii) the date on which the board of the Bank decides not to undertake the IPO ("**Term**"), in the manner set out in the JCL WCA. Pursuant to the JCL SHA, the meaning of the JCL Group was amended to exclude the Bank. Further, from the date of execution of the JCL WCA, parties to the JCL SHA will cease to have information rights in respect of the Bank, other than information pertaining to the Bank which the Bank has disclosed to stock exchanges or otherwise made available in the public domain. Upon consummation of the IPO, the rights available to the Investors vis-à-vis the Bank will terminate and fall away in the manner set out in the JCL WCA.

Key terms of other subsisting material agreements

Terms of the outstanding Preference Shares: Hero Subscription Agreement

As on the date of the Draft Red Herring Prospectus, Hero Ventures held 150,000,000 outstanding unsecured, fully paid-up, non-redeemable, non-cumulative compulsorily convertible preference shares of face value of ₹10 each of our Bank ("**Hero Preference Shares**").

Thereafter, Hero Ventures transferred 107,098,142 Preference Shares, pursuant to certain share purchase agreements. The remaining 42,901,858 Preference Shares held by Hero Ventures were converted into 3,966,209 Equity Shares at a pice of ₹ 414 per Equity Share pursuant to a resolution passed in the meeting of our Board of Directors on January 31, 2024. The 107,098,142 Preference Shares which were transferred by Hero Ventures were converted into 9,901,099 Equity Shares at a pice of ₹ 414 per Equity Share pursuant to a resolution passed in the meeting of our Board of Directors on January 31, 2024. For further details, please see "*Capital Structure- Share Capital History of our Bank*" on page 130.

The terms and conditions of the Preference Shares are described in the Hero Subscription Agreement entered into between Bank, Ramesh Ramanathan, JUF and Hero Ventures. The key terms of the Preference Shares were as follows:

- The Preference Shares carry a preferential dividend computed at 16% p.a. which is payable as per the Basel III Guidelines;

- Our Bank shall have full discretion in relation to declaration, payment and distribution of dividend, including declaration, payment and distribution to other classes of shareholders (including equity shareholders) over the holders of the Preference Shares provided that, subject to Basel III Guidelines, the Banking Company shall not be entitled to make dividend payments on/ undertake a buyback of common equity shares in the event that dividend on the Preference Shares has not been paid;

- Dividend shall not be cumulative;

- The claims of the holders of the Preference Shares shall be: (a) superior to the claims of holders of Equity Shares of the Bank, until conversion of the Preference Shares to Equity Shares; (b) subordinated to the claims of perpetual debt instruments, all tier 2 regulatory capital instruments, depositors and general creditors of the Bank; and (c) neither be secured nor covered by a guarantee of the Bank or related entity or other arrangement that legally or economically enhances the seniority of the claim *vis-à-vis* creditors of the Bank;

- Terms of conversion of the Preference Shares:

  a) The Preference Shares shall mandatorily convert into Equity Shares of the Bank on the earlier of: (a) one day prior to the date on which the red herring prospectus in relation to a potential initial public offer of the securities of the Bank is filed with the relevant registrar of companies; (b) if the IPO is not completed by March 31, 2024; (c) the Bank having common equity tier 1 capital of 6% of the risk weighted assets of the Bank or such regulatory minimum trigger point as is prescribed as per the extant RBI directions/ operating guidelines at the relevant time; or (d) the date on which the RBI determines that the Bank has reached a point of non-viability and requires the Preference Shares to be converted into equity shares in accordance with the Basel III Guidelines.

  b) The conversion price of the Preference Shares if IPO occurs before March 31, 2024 shall be the indicative IPO price multiplied by the applicable discounting factor. Upon confirmation of the final indicative IPO price, the Preference Shares shall convert into Equity Shares of the Bank basis the indicative IPO conversion price and be allotted to Hero Ventures one day prior to the date of filing of the red herring prospectus with the RoC in connection with the IPO.

  c) If the IPO is not completed for any reason whatsoever on or prior to March 31, 2024, then the conversion price shall be determined as the notional price of a capital market offering of the shares of the Bank (determined by mutually appointed merchant bankers) multiplied by a discounting factor of 0.256 and the Preference Shares shall mandatorily convert into Equity Shares of the Bank basis the valuation price within five days from March 31, 2024.

- The Preference Shares shall be transferable in accordance with the applicable provisions of the Act and the Banking Regulation Act, 1949.

No dividend was declared and paid on Hero Preference Shares for the Fiscals 2023, 2022 and 2021, for the six month periods ended September 30, 2023 and from October 1, 2023 till the date of filing of this Prospectus. For further details, please see "*Dividend Policy*" and "*Financial Statements – Annexure 23 – Note 22 - Other Disclosures*" on pages 370 and 458

For details of the conversion price, see "Capital structure" on page 130.

Terms of the outstanding Preference Shares: TPG Subscription Agreement

As on the date of the Draft Red Herring Prospectus, TPG Asia held 120,000,000 outstanding unsecured, fully paid-up, non-redeemable, non-cumulative compulsorily convertible preference shares of face value of ₹10 each of our Bank ("**TPG Preference Shares**"). The terms and conditions of the Preference Shares are described in the TPG Asia VI SF Pte. Ltd. Agreement entered into between Bank, Ramesh Ramanathan, JUF and TPG Asia. The key terms of the Preference Shares are as follows:

- The Preference Shares carry a preferential dividend computed at 16% p.a. which is payable as per the Basel III Guidelines;

- Our Bank shall have full discretion in relation to declaration, payment and distribution of dividend, including declaration, payment and distribution to other classes of shareholders (including equity shareholders) over the holders of the Preference Shares provided that, subject to Basel III Guidelines, the Banking Company shall not be entitled to make dividend payments on/ undertake a buyback of common equity shares in the event that dividend on the Preference Shares has not been paid;

- Dividend shall not be cumulative;
- The claims of the holders of the Preference Shares shall be: (a) superior to the claims of holders of Equity Shares of the Bank, until conversion of the Preference Shares to Equity Shares; (b) subordinated to the claims of perpetual debt instruments, all tier 2 regulatory capital instruments, depositors and general creditors of the Bank; and (c) neither be secured nor covered by a guarantee of the Bank nor related entity or other arrangement that legally or economically enhances the seniority of the claim *vis-à-vis* creditors of the Bank;
- Terms of conversion of the Preference Shares:

  a) The Preference Shares shall voluntarily convert into Equity Shares of the Bank on the earlier at any time on or after April 1, 2023.

  b) The Preference Shares shall mandatorily convert into Equity Shares of the Bank on the earlier of: (a) one day prior to the date on which the Red Herring Prospectus in relation to a potential initial public offer of the securities of the Bank is filed with the relevant registrar of companies; (b) if the IPO is not completed by August 31, 2029; (c) the Bank having common equity tier 1 capital of 7% of the risk weighted assets of the Bank or such regulatory minimum trigger point as is prescribed as per the extant RBI directions/ operating guidelines at the relevant time; or (d) the date on which the RBI determines that the Bank has reached a point of non-viability and requires the Preference Shares to be converted into equity shares in accordance with the Basel III Guidelines.

  c) The conversion price of the Preference Shares on or prior to August 31, 2029, or in any other scenario of mandatory conversion shall be at the valuation of ₹ 20,450 (₹ 389.26 per share) million. The Preference Shares shall convert into such number of Equity Shares arrived at on the basis of the aforementioned valuation price.

- The Preference Shares shall be transferable in accordance with the applicable provisions of the Act and the Banking Regulation Act, 1949.

No dividend was declared and paid on TPG Preference Shares for the Fiscals 2023, 2022 and 2021, for the six month periods ended September 30, 2023 and from October 1, 2023 till the date of filing of this Prospectus. For further details, please see "*Dividend Policy*" and "*Financial Statements* – Annexure 23 – Note 22- *Other Disclosures*" on pages 370 and 458.

Pursuant to TPG Subscription Agreement, TPG Preference Shares were converted into 3,082,772 Equity Shares for a price of ₹ 389.26 per Equity Share. For further details, please see "*Capital Structure- Share Capital History of our Bank*" on page 130.

Terms of the outstanding Preference Shares: Subscription Agreement 2023

Our Bank had issued 112,000,000 outstanding unsecured, fully paid-up, non-redeemable non-cumulative compulsorily convertible preference shares of face value of ₹10 each ("**New Preference Shares**") collectively, to Dovetail, Volrado, Deepak Talwar and Singularity ("**New Preference Shareholders**") pursuant to the Subscription Agreement 2023. Dovetail, Volrado, Deepak Talwar and Singularity held 20,000,000 New Preference Shares, 5,30,00,000 New Preference Shares, 1,000,000 New Preference Shares, and 38,000,000 New Preference Shares, respectively as on the date of the Draft Red Herring Prospectus. The terms and conditions of the New Preference Shares are described in the Subscription Agreement 2023 entered into between Bank, Ramesh Ramanathan, JUF, Dovetail, Volrado, Deepak Talwar and Singularity. The key terms of the New Preference Shares are as follows:

- The New Preference Shares carry a preferential dividend computed at 16% p.a. which is payable as per the Basel III Guidelines;
- Our Bank shall have full discretion in relation to declaration, payment and distribution of dividend, including declaration, payment and distribution to other classes of shareholders (including equity shareholders) over the holders of the New Preference Shares provided that, subject to Basel III Guidelines, our Bank shall not be entitled to make dividend payments on/ undertake a buyback of common equity shares in the event that dividend on the New Preference Shares has not been paid;
- Dividend shall not be cumulative;
- The claims of the holders of the New Preference Shares shall be: (a) superior to the claims of holders of Equity Shares of the Bank, until conversion of the New Preference Shares to Equity Shares; (b) subordinated to the claims of

perpetual debt instruments, all tier 2 regulatory capital instruments, depositors and general creditors of the Bank; and (c) neither be secured nor covered by a guarantee of the Bank or related entity or other arrangement that legally or economically enhances the seniority of the claim *vis-à-vis* creditors of the Bank;

- Terms of conversion of the New Preference Shares:

  a) The New Preference Shares shall mandatorily convert into Equity Shares of the Bank at (i) any time before July 31, 2023. The conversion price of the New Preference Shares on such date shall be ₹ 302.98 per Equity Share; or (ii) the Bank having common equity tier 1 capital of 7% of the risk weighted assets of the Bank or such regulatory minimum trigger point as is prescribed as per the extant RBI directions/ operating guidelines at the relevant time; or (iii) the date on which the RBI determines that the Bank has reached a point of non-viability and requires the New Preference Shares to be converted into equity shares in accordance with the Basel III Guidelines.

  b) In the event that the number of Equity Shares to be issued to any of the New Preference Shareholders pursuant to such conversion, when taken together with the percentage represented by the Equity Shares issued to the Investor, results in the Bank being required to issue Equity Shares in excess of 4.99% of the paid-up share capital of the Bank or such other percentage as may be specified by the RBI from time to time then for such conversion, the necessary approval of the RBI shall be sought. The New Preference Shareholders and the Bank shall in good faith (i) make the necessary applications to the RBI for the issuance of such excess of equity shares, and (ii) take all other steps, as may be necessary under applicable Law in this regard.

- The New Preference Shares shall be transferable in accordance with the applicable provisions of the Act and the Banking Regulation Act, 1949.

No dividend was declared and paid on New Preference Shares for the Fiscals 2023, 2022 and 2021, for the six month periods ended September 30, 2023 and from October 1, 2023 till the date of filing of this Prospectus. For further details, please see "*Dividend Policy*" and "*Financial Statements Annexure 23 – Note 22- Other Disclosures*" on pages 370 and 458.

The Preference Shares held by Dovetail, Volrado, Deepak Talwar and Singularity were converted into 660,110; 1,749,290; 33,005; and 1,254,208 Equity Shares, respectively, as per the Subscription Agreement 2023, pursuant to the Board resolution passed on July 31, 2023, for a price of ₹ 302.98 per Equity Share. For further details, please see "*Capital Structure- Share Capital History of our Bank*" on page 130.

Unattested Agreement to Pledge dated May 25, 2023 entered into between Bank, JHL and Catalyst Trusteeship Limited. ("Pledge Agreement")

Pursuant to the Pledge Agreement, JHL is required to pledge its entire shareholding in the Bank, including fully paid-up shares and other convertible securities in favour of Catalyst Trusteeship Limited ("**Catalyst**"), for the benefit of debenture holders who have subscribed to certain non-convertible debentures issued by JHL and JCL, details of which are set forth below:

S.No.	Name of the issuer	Number of debentures issued	Tenor	Rate of Interest	List of Allottees
1.	JHL	36,250	June 30, 2026,	3% pa payable on maturity	TPG Asia VI India Markets Pte. Limited.
2.	JCL	78,700	June 30, 2026,	3% pa payable on maturity	TPG Asia VI India Markets Pte. Limited and Morgan Stanley India Primary Dealer Private Limited.

Such pledge will have to be created within two business days from the receipt of approval from BSE, for modification of the terms of debentures in relation to which the pledge has to be created as security. To ensure JHL's compliance with SEBI ICDR Regulations, Catalyst has issued a 'no-objection' letter dated July 27, 2023 to our Bank for allowing creation of pledge two days post the expiry of the lock -in period pursuant to SEBI ICDR Regulations for shares contributing to minimum promoters' contribution and other shares held by JHL in the Bank.

Unattested Agreement to Pledge dated March 26, 2018, entered into between Bank, JHL and Catalyst Trusteeship Limited. ("Existing Pledge Arrangement I")

Pursuant to the Existing Pledge Agreement I, JHL had pledged 251,005 Equity Shares in favour of Catalyst Trusteeship Limited ("**Catalyst**"), for the benefit of Edelweiss Capital Limited, which had subscribed to certain non-convertible debentures issued by JHL, details of which are set forth below.

S. No.	Number of Debentures	Tenor	Rate of Interest	List of Allottees
1.	1,550	May, 26, 2023*	20.35% pa compounded annually	ECL Finance limited and its Group

* *The debentures were redeemed on May 26, 2023*

Such pledge was released on August 14, 2023 pursuant to memorandum of satisfaction of charge issued by Registrar of Companies, Karnataka at Bengaluru. As of the date of this Prospectus, none of the Equity Shares held by JHL are pledged under Existing Pledge Arrangement I.

Unattested Agreement to Pledge dated February 3, 2022 entered into between Bank, JHL and Catalyst Trusteeship Limited ("Existing Pledge Arrangement II")

Pursuant to the Existing Pledge Agreement II JHL had pledged 610,268 Equity Shares in favour of Catalyst Trusteeship Limited ("**Catalyst**"), for the benefit of TPG Asia Market, which had acquired certain non-convertible debentures issued by JHL, details of which are set forth below:

S. No.	Number of Debentures	Tenor	Rate of Interest	List of Allottees/ Debenture Holders
1.	250	April 01, 2024	27% pa payable on maturity	TPG Asia VI India Markets Pte. Limited

Such pledge was released on January 19, 2024 pursuant to no-objection certificate received from Catalyst Trusteeship Limited dated July 27, 2023. As of the date of this Prospectus, none of the Equity Shares held by JHL are pledged under Existing Pledge Arrangement II.

Trademark license agreement dated November 5, 2019 entered into between JUF and the Bank ("Trademark Agreement")

Our Bank and JUF have entered into the Trademark Agreement pursuant to which JUF has granted our Bank a non-exclusive, non-transferable, non-assignable license to use the trademarks "J" and "JANA" ("**Trademarks**") with further rights to modify by adding any suffix or prefix to the 'J' logo and the word 'JANA' or file any device/logo mark within India, subject to prior intimation to JUF. The Bank is permitted to use the Trademarks for the purpose of conducting its businesses and promotional and advertising material. The royalty payable by our Bank pursuant to the Trademark Agreement is 0.40% (excluding GST) of our Bank's revenue from operations*, subject to an overall cap of ₹250 million per annum, which is to be reviewed annually.

**The term "revenue from operations" is not a line item in our Bank's financial statements and it is not defined in the Trademark Agreement. We have calculated the amount payable under the Trademark Agreement based on our Bank's Operating Income (Net Interest Income and other income).*

The Trademark Agreement is valid in perpetuity from the effective date i.e., November 1, 2019. Pursuant to the Trademark Agreement, the terms of payment of royalty may be reviewed by mutual consents of both parties to decide upon the quantum of payment, periodicity of the payment, rebranding at the earlier of (a) five years from the commencement of the Trademark Agreement; or (b) the Board proposing to transition from an SFB to a universal bank. A breach by the Bank of its material obligations under the Trademark Agreement is required to be cured within 30 days from the date of notice of such breach by JUF. In the event the breach is not cured within such cure period or the breach is not capable of being cured as determined by JUF, JUF is entitled to terminate the Trademark Agreement with notice to the Bank. Upon termination of the Trademark Agreement, the Bank shall no later than 90 days from the termination: (a) discontinue the use of the Trademarks for any purpose including in relation to its business; (b) cease to use or employ any word, name, expression or device closely similar in sound, appearance or meaning to the Trademarks; (c) change or procure to be changed its corporate name and/or trading style in such a manner as to delete therefrom the Trademarks; (d) remove or cause to be removed any reference to the said Trademarks name and/or work that may exist on its corporate material; and (e) remove all the reference of Trademarks from the website of the Bank.

Upon the consummation of the IPO, the Trademark Agreement shall continue to be in effect subject to approval of the public shareholders by way of a special resolution, for payment of royalty by the Bank to JUF under the Trademark Agreement, at the first shareholders' meeting held by our Bank post listing of the Equity Shares pursuant to an IPO.

Agreements with Key Managerial Personnel, Director, Promoter or any other employee

There are no agreements entered into by any Key Managerial Personnel or Director or Promoter or any other employee of our Bank, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Bank.

Except as disclosed in this Prospectus, there are no other inter-se agreements, and the clauses/ covenants in the agreements governing the rights of equity Shareholders of our Bank, which are material, which need to be disclosed, and there are no other clauses/ covenants in the agreements governing the rights of equity Shareholders of our Bank which are adverse/ pre-judicial to the interest of the minority / public shareholders of our Bank. Further, there are no other agreements, deed of assignments, acquisition agreements, shareholders' agreements, inter-se agreements, agreements of like nature in connection with the equity shareholding of our Bank other than disclosed in this Prospectus.

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association and the Companies Act, our Bank is required to have not less than three Directors and not more than 15 Directors. As on the date of this Prospectus, our Board comprises of nine Directors including two Executive Directors and seven Non-Executive Directors (including five Independent Directors, of whom one is a woman Director).

The following table sets forth the details regarding our Board of Directors as of the date of this Prospectus:

S. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
1.	**Subhash Chandra Khuntia** ***Designation:*** Part-Time Chairman and Independent Director ***Address:*** 16-C, MCHS Colony, 1st B Main Road, HSR Layout (Sector 6), Bangalore South, Bengaluru - 560 102, Karnataka, India ***Occupation:*** Retired IAS Officer ***Date of birth:*** November 21, 1957 ***Nationality:*** Indian ***Period and term:*** For a period of five years with effect from July 28, 2021 and is not liable to retire by rotation ***DIN:*** 05344972	66	Nil
2.	**Ajay Kanwal** ***Designation:*** Managing Director and Chief Executive Officer ***Address:*** #9/10, Vishwamitra 292, J N Patil Marg, Mumbai Suburban, Mumbai 400 071, Maharashtra, India ***Occupation:*** Professional ***Date of birth:*** August 18, 1966 ***Nationality:*** Singaporean ***Period and term:*** For a period of three years with effect from March 21, 2021 and is liable to retire by rotation ***DIN:***07886434	57	Nil
3.	**Krishnan Subramania Raman** ***Designation*:** Executive Director ***Address***: 701, Embassy Oasis, No 46/1 and 46/2 Promenade Road, Frazer Town, Sivan Chetty Gardens, Bangalore 560042, Karnataka, India ***Occupation***: Professional ***Date of birth***: May 3, 1963 ***Nationality***: Indian ***Period and term***: For a period of three years with effect from January 1, 2024 and is liable to retire by rotation. ***DIN***: 10380292	60	Nil
4.	**Ramesh Ramanathan** ***Designation:*** Non-Executive Non-Independent Director ***Address:*** # 4-402 III Floor, Lyndhurst Apartment, Walton Road,	60	*Indian Companies* • Jana Capital Limited;

S. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	Lavelle Road, Bangalore - 560 001, Karnataka, India ***Occupation**:* Professional ***Date of birth**:* November 7, 1963 ***Nationality**:* Indian ***Period and term**:* With effect from February 8, 2018 and is liable to retire by rotation ***DIN**:* 00163276		• Jana Holdings Limited; • Jana Urban Foundation; • Jana Urban Services For Transformation Private Limited; and • Jana Urban Space Foundation (India) • Janaadhar (India) Private Limited
5.	**Rahul Khosla** ***Designation**:* Non-Executive Non-Independent Nominee Director^ ***Address:*** N-31, 1st Floor, Panchsheel Park, Panchsheel Enclave, South Delhi, Delhi - 110 017, India ***Occupation**:* Retired ***Date of birth**:* August 29, 1959 ***Nationality**:* Singaporean ***Period and term**:* With effect from June 23, 2023 and is liable to retire by rotation* ***DIN**:* 03597562	64	*Indian companies* Nil *Foreign companies* • Whiteboard Consulting & Advisory Services Ltd Pte Singapore
6.	**Ramalingam Ramaseshan** ***Designation**:* Non-Executive Independent Director ***Address:*** No.10, 5 C Cross, 16 Main, IAS Colony, BTM Layout, Bengaluru 560 076, Karnataka, India ***Occupation***: Retired IAS Officer ***Date of birth**:* December 4, 1956 ***Nationality**:* Indian ***Period and term**:* For a period of three years with effect from February 8, 2023 and is not liable to retire by rotation** ***DIN**:* 00200373	67	*Indian Companies* • National Commodity Clearing Limited; and • Rashtriya e-Market Services Private Limited.
7.	**Chitra Talwar** ***Designation**:* Non-Executive Independent Director ***Address:*** Apt 9B, Sky Gardens, Rhenius Street, Richmond Town, Bengaluru 560 025, Karnataka, India ***Occupation**:* Retired ***Date of birth**:* March 30, 1953 ***Nationality**:* American ***Period and term**:* For a period of five years with effect from January 31, 2020 and is not liable to retire by rotation ***DIN**:* 07156318	70	*Indian Company* • Magic Wand Empowerment Private Limited
8.	**Kumbla Srinivas Nayak** ***Designation**:* Non-Executive Independent Director	60	*Indian Company* • National Commodity Clearing Limited

S. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	Address: 201, Preetika Apartment, Saraswati Road, Santacruz West, Mumbai 400 054, Maharashtra, India ***Occupation****:* Consultant ***Date of birth****:* December 8, 1963 ***Nationality:*** Indian ***Period and term****:* For a period of five years with effect from May 30, 2022 and is not liable to retire by rotation ***DIN****:* 09094351		
9.	**Pammi Vijaya Kumar** ***Designation*****:** Non-Executive Independent Director ***Address*****:** Building 5, 1102, Kesar Exotica CHS, Kopra Road, Sector 10, Kharghar, Raigarh – 410 210, Maharashtra, India ***Occupation*****:** Retired ***Date of Birth*****:** May 19, 1961 ***Nationality:*** Indian ***Period and term*****:** For a period of five years with effect from March 24, 2023 and is not liable to retire by rotation ***DIN*****:** 07492149	62	Nil

* *Re-appointed as Non-Executive Non-Independent Director pursuant to annual general meeting dated June 23, 2023.*

^ *Nominated on behalf of TPG Asia VI SF Pte Ltd*

** *Re-appointed as Non-Executive Independent Director pursuant to annual general meeting dated May 30, 2022.*

Relationship between our Directors and other Directors, the Key Managerial Personnel and the Senior Managerial Personnel

None of our Directors are related to each other or any Key Managerial Personnel or Senior Managerial Personnel.

Brief Biographies of Directors

Subhash Chandra Khuntia is the Part-Time Chairman and an Independent Director of our Bank. He holds a bachelor's degree in science (honours) in physics from Utkal University, a master's degree in science in physics, a master's degree in technology in computer science from the Indian Institute of Technology, Kanpur, a master's degree in arts in economics from Karnatak University, Dharward, a master's degree in social policy and planning in developing countries from London School of Economics and Political Science, University of London and a bachelor's degree in law from Bangalore University. He joined the Indian Administrative Services in 1981. He retired as the chief secretary of Karnataka in 2017. He was earlier Chairman, Insurance Regulatory and Development Authority of India, Secretary, School Education and Literacy in the Ministry of Human Resources Development, Government of India, Special Secretary and Financial Advisor, Ministry of Petroleum and Natural Gas, Principal Secretary, Public Works Department, and Secretary, Finance Department of Government of Karnataka and held various other positions in Government of India and Government of Karnataka.

Ajay Kanwal is the Managing Director and Chief Executive Officer of our Bank. He holds a bachelor's degree in engineering in electronics and telecommunication from the Marathwada University and a master's degree in management studies from the University of Bombay. He was previously associated with Standard Chartered Bank, India and Singapore.

Krishnan Subramania Raman is an Executive Director and Chief Credit and Collection Officer of our Bank. He holds a bachelors' degree in commerce from the University of Madras and a post-graduate diploma in management from the Indian Institute of Management, Calcutta. He is a certified associate of the Indian Institute of Bankers and is also an associate member of the Institute of Chartered Accountants of India. He has previously worked with Standard Chartered Bank, India as senior manager – investment services, Standard Chartered Bank, Singapore as risk director, Dunia Finance LLC as chief risk officer and Mashreq Bank PSC, UAE as senior vice president.

Ramesh Ramanathan is a Non-Executive Non-Independent Director of our Bank. He holds a master's degree in science in physics (Honours) from the Birla Institute of Technology and Science, Pilani and a master’s degree in public and private management from the Yale School of Organisation and Management. He is also a director on the board of directors of Jana Capital Limited, Jana Holdings Limited, Jana Urban Services for Transformation Private Limited, Jana Urban Space Foundation (India) and Janaadhar (India) Private Limited. He has co-authored the book “Urban Poverty Alleviation in India: Landmark Government Initiatives for the Urban Poor since Independence”.

Rahul Khosla is a Non-Executive Non-Independent Nominee Director of our Bank and has been appointed on behalf of TPG Asia VI SF Pte Ltd. He holds a bachelor’s degree in arts (economics honours) from the University of Delhi. He is a fellow member of the Institute of Chartered Accountants of India. He was previously employed under various companies of Max Group, India as group president and as group advisor. Prior to that he was associated with Visa International Service Association, Asia Pacific region based out of Singapore in various capacities, including, as regional director, head consumer cards and senior vice president and general manager, products group.

Ramalingam Ramaseshan is a Non-Executive Independent Director of our Bank. He holds a bachelor’s degree in engineering from Bhopal University. He is a fellow member of the Institute of Cost and Works Accountants of India. He joined the Indian Administrative Services in 1982. He was previously the managing director and chief executive officer of National Commodity and Derivative Exchange Limited.

Chitra Talwar is a Non-Executive Independent Director of our Bank. She holds a bachelor’s degree of arts in economics from the University of Madras and a post-graduate diploma in business management from Xavier-Labour Relations Institute, Jamshedpur. She has previously worked with Britannia Industries and PepsiCo.

Kumbla Srinivas Nayak is a Non-Executive Independent Director of our Bank. He holds a bachelor’s degree in engineering, in the chemical branch, from the Birla Institute of Technology and Science. He was previously working with Standard Chartered Global Business Services Private Limited, Standard Chartered Bank and Standard Chartered Bank, Singapore, in various capacities, including, as Head – Technology Solution Delivery, Core Banking, Programme Director Group Tech and Ops – India and South Asia and Global Head- Enterprise Data Management Repository. He has previously worked with Idenfo Limited as the Chief Technology Officer.

Pammi Vijaya Kumar is a Non-Executive Independent Director of our Bank. He holds a bachelor’s degree of arts from the Faculty of Social Sciences, Nagarjuna University, a master’s degree in arts in history and a master’s degree in philosophy in history from the University of Hyderabad and a diploma in treasury, investment and risk management from the Indian Institute of Banking and Finance. He is a certified associate of Indian Institute of Bankers. He has previously worked with Reserve Bank of India where his last held position was executive director. He has more than 36 years of experience in banking.

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Bank.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

Terms of appointment of Directors

1. **Remuneration to Managing and Executive Directors:**

   Ajay Kanwal was reappointed as the Managing Director and Chief Executive Officer of our Bank, with effect from March 21, 2021, pursuant to RBI approval dated March 5, 2021, and by a Board and shareholders’ resolution dated February 16, 2021 and August 19, 2021, respectively. Further, pursuant to the Board and shareholders’ resolution dated October 19, 2023 and January 18, 2024 and subject to RBI approval, Ajay Kanwal has been reappointed as the Managing Director and Chief Executive Officer of our Bank, for a period of three years with effect from March 21, 2024.

   Ajay Kanwal was paid a total remuneration of ₹62.12 million during FY 2022-2023.[^*] For Fiscal 2023, Ajay Kanwal was paid a fixed pay of ₹41.69 million and the remaining sum of ₹14.52 million paid to him includes arrears and deferred cash bonus from Fiscal 2021 and Fiscal 2022.

Set out below are details of remuneration governing his appointment for FY 2023-2024:

Particulars	Remuneration (₹ in million)$
Fixed Pay**	53.10
Cash Bonus***	22.58
Restricted Stock Units****	22.58

^ *For Fiscal 2023, the total remuneration of ₹62.12 million includes total taxable income of ₹56.22 million and other benefits being FBP (flexi benefit plan for employees of the Bank), provident fund contribution by the Bank and car EMI paid by the Bank.*

* *Our Bank filed an application dated February 28, 2023 with the RBI for revision of the remuneration structure for Financial Year 2022-23, basis the RBI Compensation Guidelines. As per RBI letter dated October 9, 2023, the revised remuneration is fixed pay of ₹51.10 million. The Bank was asked to file a revised variable pay and grant of RSU's proposal after reviewing the performance for the entire financial year. Subsequently, our Bank filed an applicated dated October 30, 2023 with the RBI for revision of variable pay and grant of RSU's for the Financial Year 2022-23, basis RBI Compensation Guidelines. After reviewing the performance for the entire financial year, the Bank has retained the cash bonus recommendation of 20.44 million and increased RSU's to 20.61 million. However, through its letter dated January 31, 2024, received by our Bank on February 5, 2024, the RBI conveyed its approval for ₹41.10 million as variable pay for Financial Year 2022-23 (to be granted entirely in the form of ESOPs), and also noted that the amount of ₹66.70 million towards the forfeiture and reissuance of 567,647 ESOPs approved vide RBI letter dated January 19, 2024, (mentioned below) forms part of the above variable pay for Financial Year 2022-23.*

** *Includes corporate club membership and payment of subscription and other fees.*

*** *50% of the cash component to be paid upfront and remaining 50% to be deferred in next four years in equal instalments of 25% each.*

$ *Our Bank has filed an application dated May 29, 2023 with the RBI for revision of the remuneration structure for Financial Year 2023-24, basis the RBI Compensation Guidelines. The revised remuneration recommended by the Bank includes: (i) fixed pay of ₹60.21 million which includes corporate club membership and payment of subscription and other fees; (ii) cash bonus of ₹22.58 million and (iii) restricted stock units (RSUs) of ₹22.58 million. However, the RBI vide its letter dated October 9, 2023, revised the fixed pay to 53.10 million for FY 2023-24.*

**** *The RBI vide its letter dated January 19, 2024, approved the forfeiture and reissuance of 5,67,647 ESOPs at a revised price of ₹ 302.98.*

Krishnan Subramania Raman was appointed as the Executive Director of Our Bank, with effect from January 1, 2024 pursuant to RBI approval dated November 2, 2023, and by a Board and shareholders' resolution dated November 20, 2023 and January 18, 2024, respectively.

Krishnan Subramania Raman did not receive any remuneration as an Executive Director for Fiscal 2023. Set out below are details of remuneration governing his appointment for FY 2023-2024:

Particulars	Remuneration (₹ in million)$
Fixed Pay*	17.29
Cash Bonus*	17.29

* *Our Bank filed an application dated June 19, 2023 with the RBI for the appointment of Krishnan Subramania Raman as an Executive Director for a period of three years with effect from the date of his taking charge. The RBI via its letter dated November 2, 2023, approved the appointment of Krishnan Subramania Raman as an Executive Director and the proposed target remuneration of Rs 34.57 million for FY 2023-24.*

2. Remuneration to Non-Executive Directors:

Pursuant to the Board resolution dated February 8, 2018, each of the Non-Executive Directors is entitled to receive sitting fees of approximately ₹0.05 million per meeting for attending meetings of the Board and sitting fees of ₹0.02 million per meeting for attending meetings of committees of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder. Part-time Chairman and Independent Director, Subhash Chandra Khuntia, is entitled to sitting fees:

The details of remuneration and sitting fees paid to our Non-Executive Directors during Fiscal 2023 are as follows:

S. No.	Name of Director	Sitting fees paid (in ₹ million)	Remuneration (in ₹ million)
1.	Subhash Chandra Khuntia	1.05	1.50
2.	Ramesh Ramanathan	Nil	Nil
3.	Ramalingam Ramaseshan	1.08	Nil
4.	Chitra Talwar	1.00	Nil
5.	Rahul Khosla	0.23	Nil
6.	Vikram Gandhi(1)	0.18	Nil
7.	Kumbla Srinivas Nayak(2)	0.78	Nil
8.	Pammi Vijaya Kumar(3)	0.05	Nil

(1) Vikram Gandhi ceased to be a director with effect from February 7, 2023.
(2) Kumbla Srinivas Nayak was appointed with effect from May 30, 2022.
(3) Pammi Vijaya Kumar was appointed with effect from March 24, 2023.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except for Rahul Khosla, who is a Nominee Director on behalf of TPG Asia VI SF Pte Ltd as per the Shareholders' Agreement, there is no other arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Directors was selected as a director.

Our Promoters have a right to nominate the part-time Chairperson pursuant to the provisions of our Shareholders Agreement. For details of nomination rights of our Promoters and investors on our Board, see "*History and Other Corporate Matters - Key terms of subsisting shareholders' agreements*" of page 338.

Shareholding of Directors in our Bank

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except for Ajay Kanwal and Krishnan Subramania Raman, who hold 88,029 Equity Shares and 21,413 Equity Shares respectively, as on the date of this Prospectus, none of our Directors hold any Equity Shares in our Bank. Further, Ajay Kanwal and Krishnan Subramania Raman have been provided employee stock option under the ESOP Plan 2017 and ESOP 2018. For details of our employee stock option, see "*Capital Structure*" on page 130.

Shareholding of Directors in our subsidiaries and associate companies

Our Bank does not have any subsidiaries or associate companies.

Interests of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Bank. Further, our Directors (excluding our Independent Directors) are entitled to participate in the ESOP 2017 and ESOP 2018.

Except as stated in "*Financial Statements*" on page 388, and as disclosed in this section, our Directors do not have any other interest in our business.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer.

Other than Ramesh Ramanathan, who is one of the first directors of the Bank, none of our Directors have any interest in the promotion or formation of our Bank.

Our Bank and JUF, promoted by Ramesh Ramanathan, have entered into the Trademark Agreement. The royalty payable by our Bank pursuant to the Trademark Agreement is 0.40% (excluding GST) of our Bank's revenue from operations*, subject to an overall cap of ₹250 million per annum, which is to be reviewed annually. The amount payable to JUF under the Trademark Agreement, including taxes for Fiscals 2023, 2022 and 2021 was ₹99.56 million, ₹55.01 million and ₹49.60 million, respectively.

**The term "revenue from operations" is not a line item in our Bank's financial statements and it is not defined in the Trademark Agreement. We have calculated the amount payable under the Trademark Agreement based on our Bank's Operating Income (Net Interest Income and other income).*

None of our Directors have any interest in any property acquired or proposed to be acquired of the Bank or by the Bank.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Bank.

None of the Directors is party to any bonus or profit sharing plan of our Bank.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/Cessation	Reason
Krishnan Subramania Raman	January 1, 2024	Appointment as an Executive Director
Pammi Vijaya Kumar	March 24, 2023	Appointment as a Non-Executive Independent Director.
Vikram Gandhi	February 7, 2023	Resignation as a Non- Executive Independent Director.
Kumbla Srinivas Nayak	May 30, 2022	Appointment as a Non-Executive Independent Director.
Kumbla Srinivas Nayak	May 5, 2022	Appointment as a Non-Executive Additional Independent Director.
Peruvemba Ramachandran Seshadri	March 29, 2022	Resigned as an Additional Non-Executive and Independent Director.
Eugene Emmanuel Karthak	April 9, 2022	Resigned as an Additional Non-Executive and Independent Director.
Subhash Chandra Khuntia	August 19, 2021	Appointment as a Non-Executive Independent Director
Subhash Chandra Khuntia	July 28, 2021	Appointment as a Non-Executive Additional Independent Director

Name	Date of Appointment/ Change/Cessation	Reason
		and Part time Chairman
Vijayalatha Reddy	April 5, 2021	Resignation as a Non-Executive Independent Director

(1) *The appointment of Rahul Khosla to the Board was regularised pursuant to a Shareholders' resolution passed at the EGM held on March 25, 2021.*

Borrowing Powers of Board

Pursuant to a resolution passed by the Shareholders of our Bank on June 6, 2016 and subject to the Companies Act, 2013, Articles of Association, capital adequacy norms as prescribed by RBI and any other applicable laws, rules, regulations and guidelines from time to time, our Board is authorised to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Bank, may exceed aggregate of its paid-up capital and free reserves, apart from temporary loans obtained from the Bank's bankers in the ordinary course of business, provided however, the total amount so borrowed shall not exceed ₹229,190 million.

Corporate Governance

The corporate governance provisions of the Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act, and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies, to the extent applicable. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the Listing Regulations, guidelines issued by the RBI from time to time, and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

The composition of our Board is also in compliance with the Banking Regulation Act, SFB Licensing Guidelines and conditions stipulated by the RBI Final Approval dated April 28, 2017. Further, pursuant to approval dated February 20, 2017 for the constitution of our Board, the RBI:

a) approved the nomination of Ramalingam Ramaseshan as a director on the Board of the Bank. Our Board composition has since undergone certain changes. For details of changes in our Board in the last three years, see "- *Changes in the Board in the last three years"*, on page 350.

b) reiterated that our Bank shall ensure compliance with Sections 10A, 16 and 20 of the Banking Regulation, statutory provisions including provisions of the Companies Act, 2013 and the instructions issued vide RBI circulars dated March 5, 1994 and July 1, 1994, respectively, in addition to the provisions of majority of independent directors in terms of the RBI In-principle Approval.

Pursuant to RBI approval dated March 21, 2018, Ajay Kanwal was appointed as the Managing Director and Chief Executive Officer with effect from March 21, 2018 until March 20, 2021. Subsequently, the RBI has further approved his tenor on March 5, 2021 for three years effective from March 21, 2021 until March 20, 2024.

Thereafter, pursuant to RBI approval dated October 25, 2021, Subhash Chandra Khuntia was appointed as the part-time Chairman of our Bank with effect from October 25, 2021 until October 24, 2024.

Further, pursuant to RBI approval dated November 2, 2023, Krishnan Subramania Raman was appointed as the Executive Director of our Bank with effect from January 1, 2024 until December 31, 2027.

Committees of the Board

Audit & Compliance Committee

The members of the Audit Committee are:

1. Kumbla Srinivas Nayak, *Chairman*;
2. Ramesh Ramanathan;
3. Ramalingam Ramaseshan;
4. Chitra Talwar; and

5. Pammi Vijaya Kumar

The Managing Director and Chief Executive Officer is the invitee of the Audit Committee.

The Audit Committee was constituted pursuant to the resolution passed by the Board dated February 8, 2018 and was last reconstituted on January 15, 2024. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013, the Listing Regulations and the guidelines issued by the RBI from time to time. The terms of reference of the Audit Committee include the following:

1. Oversight of our Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of our Bank and fixation of audit fee;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report, in terms of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Qualifications and modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Laying down the criteria for granting omnibus approval in accordance with the Bank's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

7. Examination of the financial statement and auditors' report thereon;

8. Monitoring the end use of funds raised through public offers and related matters;

9. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

10. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

11. Approval or any subsequent modification of transactions of the Bank with related parties;

12. Scrutiny of inter-corporate loans and investments;

13. Valuation of undertakings or assets of the Bank, wherever it is necessary;

14. Evaluation of internal financial controls and risk management systems;

15. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

16. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

17. Discussion with internal auditors of any significant findings and follow up there on;

18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

19. Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

21. To establish a vigil mechanism for directors and employees to report their genuine concerns or grievances;

22. To review the functioning of the whistle blower mechanism;

23. To ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Bank;

24. Periodic inspection report submitted by the RBI and certificates/returns/reports to the RBI pertaining to the Audit Committee function;

25. Annual tax audit statement and auditors report thereon;

26. Quarterly Board oversight updates to be provided by Internal Audit and Compliance;

27. Approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

28. Carrying out any other function as may be required / mandated as per the provisions of the Companies Act, 2013, Listing Agreements and/or any other applicable laws; and

29. Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments.

The audit committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
- statement of deviations as and when becomes applicable:
    i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
    ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The role of the Audit Committee includes the following:

a) Exposure to sensitive sectors i.e. capital market & real estate;

b) KYC/ AML Guidelines - (i) Review of implementation (ii) Review of compliance of concurrent audit reports with respect to adherence to KYC/ AML guidelines at branches;

c) Review of housekeeping - particularly balancing and reconciliation of long outstanding entries suspense/ sundries / drafts payable / paid / funds in transit / clearing / SGL / CSGL accounts;

d) Review of compliance in respect of the Annual Financial Inspection conducted by RBI (ACB should review this on ongoing basis till the Bank furnishes full compliance. ACB should closely monitor persisting deficiencies pointed out in RBI Inspection Reports);

e) Review of Audit plan and status of achievement thereof;

f) Review of significant Audit Findings of the following audits along with the compliance thereof - (i) LFAR (ii) concurrent audit (iii) internal inspection (iv) I.S. audit of data centre (v) treasury and derivatives (vi) management audit at controlling offices/ head offices (vii) audit of service branches (viii) currency chest (ix) FEMA audit of branches authorized to deal in foreign exchange, etc.;

g) Compliance report on directives issued by ACB/ Board/ RBI;

h) Report on compliance of corporate governance requirements under Listing Regulations and other guidelines issued by SEBI from time to time;

i) Report on compliance of regulatory requirement of regulators in host countries in respect of overseas branches;

j) Review of Frauds (frauds of Rupees one crore and above to be reviewed as and when reported);

k) Review of financial results for the quarter;

l) Review of information on violations by various functionaries in the exercise of discretionary powers;

m) Information in respect of equity share holdings in borrower companies more than 30% of their paid-up capital;

n) Status of implementation of Ghosh and Jilani Committee reports;

o) Detailed report on fraudulent transactions relating to Internet Banking through phishing attacks pointing out in particular the deficiencies in the existing systems and steps taken by the IT department to prevent such cases;

p) Change in accounting policy and practices which may have significant bearing on financial statements. A confirmation that accounting policies are in compliance with accounting standards and RBI guidelines;

q) Review of IS Audit Policy;

r) Review of transactions with related parties;

s) Review of accounting policies / systems of the Bank with a view to ensuring greater transparency in the Bank's accounts and adequacy of accounting standards;

t) Review of adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

u) Review of the Bank's financial and risk management policies;

v) Appointment of statutory auditors and review of performance - both for domestic and overseas operations;

w) Penalties imposed/ penal action taken against Bank under various laws and statutes and action taken for corrective measures;

x) Review of report on revenue leakage detected by internal/ external auditors and status of recovery thereof - reasons for undercharges and steps taken to prevent revenue leakage; and

y) Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:

    1. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

    2. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

The Audit Committee is required to meet at least four times in a year and not more than 120 days are permitted to elapse between two meetings under the terms of the Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Ramalingam Ramaseshan, *Chairman*;

2. Ramesh Ramanathan;

3. Chitra Talwar;

4. Rahul Khosla;

5. Subhash Chandra Khuntia; and

6. Pammi Vijaya Kumar

The Nomination and Remuneration Committee was constituted pursuant to the resolution passed by the Board dated February 8, 2018 and was last reconstituted on April 29, 2023. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013, guidelines issued by the RBI from time to time, and the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include:

1. Formulating the criteria for determining qualifications, compliance with the fit and proper criteria as required under the Reserve Bank of India Guidelines for Licensing of Small Finance Banks in the Private Sector, positive attributes and independence of a director and recommend to the Board of directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that —

   a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Bank successfully;

   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Bank and its goals.

2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;

3. To ensure 'fit and proper' status of proposed/existing Directors;

4. Devising a policy on diversity of Board of Directors;

5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Bank shall disclose the remuneration policy and the evaluation criteria in its annual report;

6. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7. Recommending to the board, all remuneration, in whatever form, payable to senior management;

8. Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Bank;

9. Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable; and

10. Performing such other functions as may be necessary or appropriate for the performance of its duties.

11. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

    a) Use the services of external agencies, if required.

    b) Consider candidates from a wide range of backgrounds, having due regard to diversity.

    c) Consider the time commitments of the candidates.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Subhash Chandra Khuntia, *Chairman*;
2. Ajay Kanwal
3. Ramalingam Ramaseshan; and
4. Krishnan Subramania Raman

The Stakeholders' Relationship Committee was constituted pursuant to the resolution passed by the Board dated March 22, 2021 and was last reconstituted on January 15, 2024. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. To resolve the grievances of the security holders of the Bank including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
2. To review of measures taken for effective exercise of voting rights by shareholders;
3. To review of adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. To review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Bank. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
5. To redress of shareholders' and investors' complaints/ grievances such as transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.;
6. To approve, register, refuse to register transfer or transmission of shares and other securities;
7. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Bank;
8. Allotment and listing of shares, approval of transfer or transmission of shares, debentures or any other securities;
9. To authorise affixation of common seal of the Bank;
10. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/ security(ies) certificate(s) of the Bank after split/ consolidation/ rematerialization and in Replacement of those which are defaced, mutilated, torn or old, decrepit, worn out or where the pages on reverse for recording transfers have been utilized;
11. To approve the transmission of shares or other securities arising as a result of death of the sole/ any joint shareholder;
12. To dematerialize or rematerialize the issued shares;
13. To Ensure proper and timely attendance and redressal of investor queries and grievances;
14. To carry out any other functions contained in the SEBI Listing Regulations, Companies Act, 2013 and/ or equity listing agreements (if applicable), as and when amended from time to time; and
15. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Chitra Talwar, *Chairman*;
2. Subhash Chandra Khuntia;
3. Ajay Kanwal; and
4. Krishnan Subramania Raman

The Corporate Social Responsibility Committee was constituted pursuant to the resolution passed by the Board dated February 8, 2018 and was last reconstituted on January 15, 2024. The terms of reference of the Corporate Social Responsibility Committee of our Bank include the following:

1. Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Bank in areas or subject specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;
2. Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Bank in the three immediately preceding financial years;
3. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Bank;
4. Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
5. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
6. Identifying and appointing the corporate social responsibility team of the Bank including corporate social responsibility manager, wherever required; and
7. Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Bank.

Risk Management Committee

The members of the Risk Management Committee are:

1. Pammi Vijaya Kumar, *Chairman*;
2. Ajay Kanwal;
3. Ramalingam Ramaseshan;
4. Krishnan Subramania Raman;
5. Rahul Khosla
6. Subhash Chandra Khuntia; and
7. Kumbla Srinivas Nayak

The Risk Management Committee was constituted pursuant to the resolution passed by the Board dated February 8, 2018 and was last reconstituted on January 15, 2024. The terms of reference of the Risk Management Committee of our Bank include the following:

1. To ensure that all the current and future material risk exposures of the Bank are assessed, identified, quantified, appropriately mitigated and managed;
2. To establish a framework for the risk management process and to ensure its implementation in the Bank;
3. To ensure that the Bank is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
4. Review and recommend changes, from time to time, to the Risk Management plan and/ or associated frameworks, processes and practices of the Bank;
5. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices;
6. Perform other activities related to this charter as requested by the Board of Directors or to address issues related to any significant subject within its term of reference.
7. Evaluate overall risks faced by the Bank and determining the level of risks which will be in the best interest of the Bank.
8. Identify, monitor and measure the risk profile of the Bank.

9. Develop policies and procedures, verify the models that are used for pricing complex products, review the risk models as development takes place in the markets and also identify new risks.

10. Design stress scenarios to measure the impact of unusual market conditions and monitor variance between the actual volatility of portfolio value and that predicted by the risk measures.

11. Monitor compliance of various risk parameters by operating Departments.

12. Review the outsourcing functions of the Bank

13. Review of risk management practices, procedures and systems to ensure that same are adequate to limit all potential risks, faced by the Bank to prudent levels (Annually). (Risk Management Framework to be reviewed for adequacy).

14. Limit Management Framework to be defined by outlining of the tolerance limits. Any exceptions and breaches to be reported on a quarterly basis.

15. To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

16. The roles and responsibilities of the Risk Management Committee shall further mandatorily include the performance of functions specified in Part D of Schedule II of the SEBI Listing Regulations, 2015 including, inter alia, the following:

    a) To formulate a detailed risk management policy which shall include:

        - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

        - Measures for risk mitigation including systems and processes for internal control of identified risks.

        - Business continuity plan.

    b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Bank;

    c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

    d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

    e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and

    f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

17. The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

IPO Committee

The members of the IPO Committee are:

1. Subhash Chandra Khuntia, *Chairman*;

2. Ramesh Ramanathan;

3. Ajay Kanwal;

4. Ramalingam Ramaseshan; and

5. Chitra Talwar

The IPO Committee was constituted pursuant to the resolution passed by the Board dated March 22, 2021 and was last reconstituted on January 15, 2024. The IPO Committee is also authorised to approve the following in connection to the initial public offering pursuant to a resolution passed by the Board on March 22, 2021:

1. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, the RBI, SEBI, the relevant registrar of companies and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications/ amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;

2. To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/ corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

3. To decide in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, Offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer;

4. To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, public offer account bank, sponsor bank(s), advertising agency, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer, including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;

5. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/ intermediaries in connection with the Offer with the power to authorise one or more officers of the Bank to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;

6. To seek, if required, the consent and/ or waiver of the lenders of the Bank, customers, parties with whom the Bank has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/ or waivers that may be required in relation to the Offer or any actions connected therewith;

7. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Bank to execute all documents/ deeds as may be necessary in this regard;

8. To open and operate bank accounts of the Bank in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Bank to execute all documents/ deeds as may be necessary in this regard;

9. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

10. To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;

11. To approve code of conduct as may be considered necessary by the IPO Committee or as required under applicable laws, regulations or guidelines for the Board, officers of the Bank and other employees of the Bank;

12. To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and listing agreements to be entered into by the Bank with the relevant stock exchanges, to the extent allowed under law;

13. To issue receipts/ allotment letters/ confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Bank with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on

one or more stock exchange(s), with power to authorize one or more officers of the Bank to sign all or any of the aforestated documents;

14. To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

15. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/ confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;

16. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, as the case maybe, agreements and/ or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Bank to execute all or any of the aforestated documents;

17. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Bank where necessary;

18. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;

19. To submit undertaking/ certificates or provide clarifications to the SEBI, Registrar of Companies, Karnataka at Bengaluru and the relevant stock exchange(s) where the Equity Shares are to be listed;

20. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

21. To delegate any of its powers set out under (a) to (q) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Bank;

22. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;

23. To approve the list of 'group of companies' of the Bank, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;

24. Deciding, negotiating and finalising the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;

25. taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale;

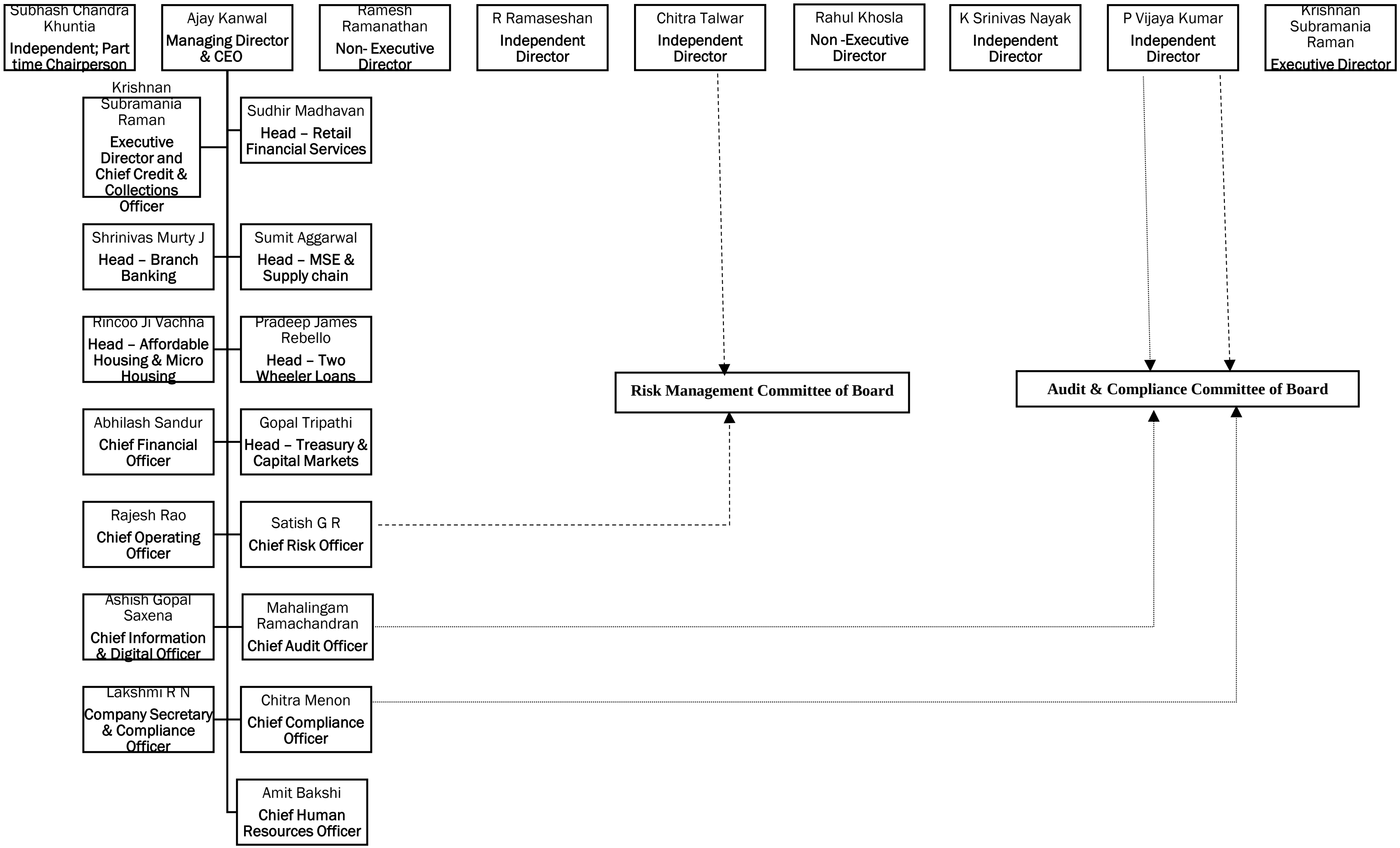
26. to withdraw the DRHP or the RHP or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs; and

27. To appoint, in consultation with the BRLMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI Regulations and other Applicable Laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/ agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents.

Other committees of our Bank

In addition to the committees mentioned in "- *Committees of the Board*" on page 351, our Bank has constituted various other committees, such as, Committee for Monitoring Large Value Frauds, Information Technology Strategy Committee, Customer Service Committee, Wilful Defaulters Committee and Credit Committee to oversee and govern various internal functions and activities of the Bank.

Management Organisation Chart



Key Managerial Personnel and Senior Managerial Personnel

The details of the Key Managerial Personnel of our Bank are as follows:

Ajay Kanwal is the Managing Director and Chief Executive Officer of our Bank. For details in relation to Ajay Kanwal, see "– *Brief Biographies of Directors*" on page 347. For details of compensation paid to him, see "*Terms of Appointment of Directors*" on page 348.

Krishnan Subramania Raman is the Executive Director and Chief Credit and Collection Officer of our Bank. For details in relation to Krishnan Subramania Raman, see "– *Brief Biographies of Directors*" on page 347. For details of compensation paid to him as Executive Director, see "*Terms of Appointment of Directors*" on page 348. During Fiscal 2023, he received a remuneration of ₹ 22.46 million in his capacity of the Chief Credit and Collection Officer.

Abhilash Sandur is the Chief Financial Officer of our Bank since July 20, 2023. He holds a bachelor's degree in commerce from the Bangalore University. He is an associate member of the Institute of Chartered Accountants of India. He joined the Bank as Manager – Strategic Planning with effect from April 20, 2017. He has previously worked with Kotak Mahindra Bank Limited and Bharti Axa General Insurance Company Limited. During Fiscal 2023, he received a remuneration of ₹5.69 million.

Lakshmi R N is the Company Secretary and Compliance Officer of our Bank. She holds a bachelor's degree in commerce from University of Bangalore. She is an associate member of the Institute of Company Secretaries of India. She joined the Bank as the Assistant Company Secretary with effect from July 17, 2013. Subsequently, she was appointed as Company Secretary with effect from August 8, 2018 and was appointed as Compliance Officer with effect from March 16, 2021. She has experience in secretarial functions and corporate governance. She was previously employed with ING Vysya Bank, Firstapex Software Technologies Private Limited and Kirloskar Multimedia Limited. During Fiscal 2023, she received a remuneration of ₹3.81 million. *

**For Fiscal 2023, the total remuneration of ₹3.81 million includes total taxable income of ₹3.56 million and other benefits being FBP (flexi benefit plan for employees of the Bank) and, provident fund contribution by the Bank.*

Senior Managerial Personnel

The details of the Senior Managerial Personnel of our Bank are as follows:

Rajesh Rao is the Chief Operating Officer of our Bank since November 1, 2019. He holds a bachelor's degree in engineering from University of Mysore and a postgraduate diploma in management from International Management Institute and is a certified Associate of Indian Institute of Bankers (CAIIB). He joined the Bank as Head – Process excellence with effect from August 3, 2015. He has experience in banking and capital markets as well as financial services BPO and managing global operations. He has previously worked with CMC Limited, Healthcare and Wellness Foundation Limited, First Advantage Global Operating Center Private Limited, Export Import Bank of India, Infosys BPO Limited and Mphasis. During Fiscal 2023, he received a remuneration of ₹9.24 million.

Amit Raj Bakshi is the Chief Human Resource Officer of our Bank since August 11, 2023. He holds a master's degree in business administration from Preston University and a post graduate diploma in business management from the Institute of Marketing and Management, Delhi. He has also earned professional certifications in human resources strategy in transforming organisations from London Business School, UK and human resource development from XLRI, Jamshedpur. He has previously worked with JP Morgan & Chase as HR Business Advisor, Serco BPO Private Limited as Vice President – Human Resources, Telenor (India) Communications Private Limited asHead – Rewards, HR Services and Administration, DLF Pramerica Life Insurance Company Limited as Associate Vice President – Human Resources, DBS Bank as Senior Manager – Human Resources and Wrigley India Private Limited as Assistant Manager Human Resources. During Fiscal 2023, he received no remuneration.

Chitra Menon is the Chief Compliance Officer of our Bank since April 1, 2022. She holds a bachelor's degree in commerce from University of Delhi, and a diploma in management from Indira Gandhi Open University, Delhi. She has previously worked with ICICI Bank as Chief Manger – II and with HDFC as Senior Manager. She was certified as Six Sigma Change Agent: Green Belt for successfully completing the project "Inventory Management at Branches for Security Inventory: RLG". During Fiscal 2023, she received a remuneration of ₹4.31 million.

Ashish Gopal Saxena is the Chief Information and Digital Officer (CIO) of our Bank since December 24, 2019. He holds a bachelor's degree in technology, electronics engineering from University of Lucknow. He has experience in technology functions to design, deliver and implement high-performance solutions. He has previously worked with U GRO Capital Ltd, AU Small Finance Bank, Max Life Insurance, and Tata Consultancy Services. During Fiscal 2023, he received a remuneration of ₹10.03 million.

Mahalingam Ramachandran is the Head of Internal Audit of our Bank. He holds a bachelor's degree in law from Saurashtra University, bachelor's degree in commerce from University of Delhi, master's degree in commerce from University of Delhi and a diploma in management from All India Management Association. He joined the Bank as the Head of Internal Audit with effect from September 3, 2019. He has experience in the field of banking industry. He has previously worked with HDFC Bank

Limited as the executive vice president – regional head audit. During Fiscal 2023, he received a remuneration of ₹5.75 million.

Gopal Tripathi is the Head of Treasury and Capital Markets of our Bank since April 1, 2018. He holds a bachelor's degree in arts from Patna University, Patna. He is a junior associate of the Indian Institute of Bankers and has a diploma in treasury, integrated and risk management from Indian Institute of Banking & Finance. He joined the Bank as the head of trading with effect from July 5, 2016. He has experience in banking and treasury. He has previously worked with the Bank of India, the Shipping Corporation of India, Royal Bank of Scotland, State Bank of India and HDFC Bank Limited. During Fiscal 2023, he received a remuneration of ₹13.39 million.

Rincoo Ji Vachha is the Head of Affordable and Micro Housing Loans of our Bank since May 7, 2018. He holds a bachelor's degree in science from the University of Kashmir. He has been associated with the Bank since May 7, 2018. He has experience in the BFSI sector. He has previously worked with Accor Radhakrishna Corporate Services, ICICI Bank Limited and CRISIL Limited. During Fiscal 2023, he received a remuneration of ₹10.68 million.

Satish Ramachandran is the Chief Risk Officer of our Bank since April 1, 2020. He holds a bachelor's degree in engineering from Birla Institute of Technology and Science, Pilani and a post-graduate diploma in management from the Indian Institute of Management, Lucknow. He joined the Bank as segment credit head MSE with effect from April 3, 2019. He has experience in credit policy. He has previously worked with Citibank NA, Standard Chartered Bank and Fullerton India. During Fiscal 2023, he received a remuneration of ₹6.97 million.

Sudhir Madhavan is the Head of Retail Financial Services of our Bank since March 1, 2020. He holds a bachelor's degree in engineering from Nagpur University and a post graduate diploma in business administration from the ICFAI Business School. He joined the Bank on December 10, 2018 as head of strategy. He has experience in retail banking. He has previously worked with Ballarpur Industries Limited, Global Boards Limited, HDFC Bank Limited, Bajaj Finance Limited, GE Countrywide Consumer Financial Services, Citibank, Royal Bank Scotland and Vietnam Prosperity Bank. During Fiscal 2023, he received a remuneration of ₹10.91 million.

Shrinivas Murty J is the President and Head – Branch Banking and Marketing of our Bank since December 14, 2021. He holds a bachelor's degree in science from Ravishankar University, Raipur. He holds a post graduate diploma in management from Management Development Institute, Gurgaon. He is a certified associate of The Indian Institute of Bankers. He has previously worked with HDFC Bank as Senior Vice President-II, Ujjivan Small Finance Bank as Head of Liabilities – Liabilities Department, Bandhan Bank Limited as Zonal Branch Banking Head and ICICI Bank. During Fiscal 2023, he received a remuneration of ₹12.32 million.

Pradeep Rebello is the Head – Two Wheeler Finance of our Bank since October 12, 2020. He holds a bachelor's degree in commerce from the University of Pune and a master's degree in business administration from the University of Pune. He has previously worked with ICICI Bank as Manager-II, HDFC Bank, Tata Capital Limited as Cluster Manager, Department – Sales, Grade – M5 and IDFC First Bank as National Sales Manager-2 Wheeler Finance and Alliance. During Fiscal 2023, he received a remuneration of ₹6.60 million.

Sumit Aggarwal is the Head – MSE, Supply Chain and Financial Institutions of our Bank since July 7, 2021. He holds a bachelor's degree in commerce from Maharshi Dayanand University, Rohtak and a post graduate diploma in business management from Institute of Management Technology, Ghaziabad. He has previously worked with Emirates NBD as Executive Vice President – Head of Transaction Banking Services and with Standard Chartered Bank as Regional Head, Transaction Banking, ASA. During Fiscal 2023, he received a remuneration of ₹27.33 million.

Relationship between our Key Managerial Personnel, Senior Managerial Personnel and Directors

None of our Key Managerial Personnel and Senior Managerial Personnel are related to each other or to the Directors.

Status of Key Managerial Personnel and Senior Managerial Personnel

Except Mahalingam Ramachandran, all our Key Managerial Personnel and Senior Managerial Personnel are permanent employees of our Bank.

Interests of Key Managerial Personnel and Senior Managerial Personnel

Our Key Managerial Personnel and Senior Managerial Personnel do not have any interest in our Bank other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Managerial Personnel and Senior Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in the Bank, if any. Some of our Key Managerial Personnel and Senior Managerial Personnel are entitled to employee stock options and equity shares resulting from the exercise of options of our Bank. There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as a member of the senior management.

Bonus or profit-sharing plans for our Key Managerial Personnel and Senior Managerial Personnel

None of our Key Managerial Personnel or Senior Managerial Personnel are party to any bonus or profit-sharing plan of our Bank. However, certain Key Managerial Personnel and Senior Managerial Personnel may be entitled to performance linked incentives in accordance with the terms of their appointment.

Shareholding of Key Managerial Personnel and Senior Managerial Personnel in our Bank

Except as disclosed in "– *Shareholding of Directors in our Bank*" on page 350, and in the section "*Capital Structure –Share capital history of our Bank*" on page 130, none of our Key Managerial Personnel and Senior Managerial Personnel hold any Equity Shares. Further, some of our Key Managerial Personnel have been provided employee stock option under the ESOP 2017 and ESOP 2018.

For details of ESOPs held by our Key Managerial Personnel and Senior Managerial Personnel, see "*Capital Structure – Details of Equity Shares held by our Promoters, Promoter Group, Directors, Key Managerial Personnel, Senior Management Personnel and directors of our Promoters*" on page 172.

Changes in the Key Managerial Personnel and Senior Managerial Personnel in the three immediately preceding years:

Name	Designation	Date of change	Reason for change
Krishnan Subramania Raman	Executive Director and Chief Credit and Collection Officer	January 1, 2024	Appointment as Executive Director
Amit Raj Bakshi	Chief Human Resources Officer	August 16, 2023*	Appointment as Chief Human Resources Officer
Usha Sonavaria	Chief Human Resources Officer	August 16, 2023	Resignation as Chief Human Resources Officer
Abhilash Sandur	Chief Financial Officer	July 20, 2023	Appointed as Chief Financial Officer
Buvanesh Tharashankar	Chief Financial Officer	July 20, 2023	Resignation as Chief Financial Officer
Rajesh Kumar Srivastava	Head – Branch Banking	April 18, 2022	Resignation as Head – Branch Banking
Sandeep Arora	Head – Products & Marketing	April 12, 2022	Resignation as Head – Products & Marketing
Ravi Duvvuru	Chief Compliance and Human Resource Officer	April 1, 2022	Resignation as Chief Compliance and Human Resource Officer
Buvanesh Tharashankar	Chief Financial Officer	February 9, 2022	Appointment as Chief Financial Officer
Usha Sonavaria	Chief Human Resources Officer	April 1, 2022	Designated as Chief Human Resources Officer
Chitra Menon	Chief Compliance Officer	April 1, 2022	Designated as Chief Compliance Officer
Shrinivas Murty J	Head – Branch Banking	December 14, 2021	Appointment as Head – Branch Banking
Rincoo Ji Vachha	Head – Affordable and Micro Housing	November 8, 2021	Appointment as Head – Affordable and Micro Housing
Amit Lamba	Head of Micro Housing and Loan against Property	November 8, 2021	Resignation as Micro Housing and Loan against Property
Kapil Krishan	Chief Financial Officer	October 31, 2021	Resignation as Chief Financial Officer
Sumit Aggarwal	Head- MSE, Supply Chain and Financial Institutions	July 7, 2021	Designated as Head- MSE, Supply Chain and Financial Institutions

* *Amit Raj Bakshi joined the organisation on August 11, 2023 and took charge as Chief Human Resources Officer from August 16, 2023.*

Service Contracts with Key Managerial Personnel and Senior Managerial Personnel

No officer of our Bank, including the Key Managerial Personnel and Senior Managerial Personnel has entered into a service contract with our Bank pursuant to which they are entitled to any benefits upon termination of employment, other than statutory benefits upon termination of their employment in our Bank on retirement.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Managerial Personnel

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel and Senior Managerial Personnel.

Payment or benefit to Key Managerial Personnel and Senior Managerial Personnel

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Bank's officers including Key Managerial Personnel and Senior Managerial Personnel within the two preceding years or is intended to be paid or given as on date of this Prospectus.

Employees Stock Options

For details of our employee stock options, see "*Capital Structure*" on page 130.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

JCL and JHL are the Promoters of our Bank. JCL, along with its nominees, holds 100% of the issued and paid-up share capital of JHL.

As on the date of this Prospectus, JHL, holds 23,575,790 Equity Shares equivalent to 25.20% of the issued, subscribed and paid-up equity share capital of our Bank on a fully diluted basis. JCL does not directly hold any Equity Shares as on the date of this Prospectus. JCL indirectly holds the Equity Shares held by JHL.

For further details, see "*Capital Structure*" on page 130.

Details of our Promoters

Jana Capital Limited

Corporate Information

JCL was incorporated on March 26, 2015 at Bengaluru, Karnataka, India, as a public company under the Companies Act, 2013. The registered office of JCL is located at 2nd Floor, No. 80, 5th Cross, 4th Main, Maruthi Extension, Bengaluru 560 021, Karnataka, India. JCL is registered with the RBI as an NBFC-CIC-ND-SI having certificate number C-02.00278 dated March 24, 2017.

The CIN of JCL is U67100KA2015PLC079488.

The main objects of JCL are, among other things, to carry on the business of an investment company.

Board of directors of JCL

As on the date of this Prospectus, the board of directors of JCL comprises of the following:

S. No	Name	Designation
1.	Rajamani Muthuchamy	Managing Director and Chief Executive Officer
2.	Ramesh Ramanathan	Non-Executive Chairman
3.	Nirav Vinod Mehta	Nominee Director
4.	Puneet Bhatia	Nominee Director
5.	Sakalespur Visweswaraiya Ranganath	Independent Director
6.	Abraham Chacko	Independent Director

Shareholding pattern of JCL

As on the date of this Prospectus, the authorised share capital of JCL is ₹30,000,000 divided into 3,000,000 equity shares of face value of ₹10 each. The issued and paid-up share capital of JCL as on the date of this Prospectus is ₹27,041,810 divided into 2,704,181 equity shares of face value of ₹10 each.

The shareholding pattern of JCL as on the date of this Prospectus is as follows:

S. No.	Name of shareholder	Number of equity shares held	Percentage of equity shareholding (%)
1.	JUF	1,187,746	43.92
2.	TPG Asia VI SF Pte. Ltd.	540,574	19.99
3.	Caladium Investment Pte. Ltd.	540,574	19.99
4.	North Haven Private Equity Asia Platinum Pte Ltd	235,656	8.71
5.	QRG Enterprises Limited	172,025	6.36
6.	ENAM Securities Limited	27,596	1.02
7.	R. Srinivasan	6	Negligible
8.	Rajamani Muthuchamy	1	Negligible
9.	Gopalakrishnan. S	1	Negligible
10.	Vidya Sridharan	1	Negligible
11.	Ramesh Ramanathan	1	Negligible
Total		**2,704,181**	**100.00**

Shareholding pattern of JCL as on March 31, 2023:

S.No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage (%) of total shareholding
1.	Jana Urban Foundation	1,187,746	43.92
2.	TPG Asia VI SF Pte. Ltd.	540,574	19.99

3.	Caladium Investment Pte. Ltd.	540,574	19.99
4.	North Haven Private Equity Asia Platinum Pte. Ltd.	235,656	8.71
5.	QRG Investments and Holdings Limited	172,025	6.36
6.	ENAM Securities Private Limited	27,596	1.02
7.	R. Srinivasan	6	0.00
8.	Ramesh Ramanathan	1	0.00
9.	Rajamani Muthuchamy	1	0.00
10.	Vidya Sridharan	1	0.00
11.	Gopalakrishnan S	1	0.00
Total		**2,704,181**	**100.000**

Shareholding pattern of JCL as on March 31, 2022:

S.No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage (%) of total shareholding
1.	Jana Urban Foundation	1,187,746	43.92
2.	TPG Asia VI SF Pte. Ltd.	540,574	19.99
3.	Caladium Investment Pte. Ltd.	540,574	19.99
4.	North Haven Private Equity Asia Platinum Pte. Ltd.	235,656	8.71
5.	QRG Investments and Holdings Limited	172,025	6.36
6.	ENAM Securities Private Limited	27,596	1.02
7.	R. Srinivasan	6	0.00
8.	Ramesh Ramanathan	1	0.00
9.	Rajamani Muthuchamy	1	0.00
10.	Vidya Sridharan	1	0.00
11.	Gopalakrishnan S	1	0.00
Total		**2,704,181**	**100.000**

Shareholding pattern of JCL as on March 31, 2021:

S.No.	Name of the Shareholder	Number of Equity Shares of face value of ₹ 10 each	Percentage (%) of total shareholding
1.	Jana Urban Foundation	1,187,746	43.92
2.	TPG Asia VI SF Pte. Ltd.	540,574	19.99
3.	Caladium Investment Pte. Ltd.	540,574	19.99
4.	North Haven Private Equity Asia Platinum Pte. Ltd.	235,656	8.71
5.	QRG Investments and Holdings Limited	172,025	6.36
6.	ENAM Securities Private Limited	27,596	1.02
7.	R. Srinivasan	6	0.00
8.	Ramesh Ramanathan	1	0.00
9.	Rajamani Muthuchamy	1	0.00
10.	Vidya Sridharan	1	0.00
11.	Gopalakrishnan S	1	0.00
Total		**2,704,181**	**100.000**

Promoters of JCL

The promoters of JCL are JUF and a Non-Executive Director and Chairman of our Bank, Ramesh Ramanathan.

JUF is a company limited by guarantee, incorporated on June 29, 2006 in Karnataka, India under the Companies Act, 1956. JUF in authorized to engage in the business of, *inter-alia*, sponsoring or funding social programmes relating to livelihood, health related activities etc., undertaking charitable objects for alleviation of poverty amongst urban poor, and undertaking construction of low cost housing for subprime sector with basic amenities.

Board of directors of JUF

The board of directors of JUF comprise of the following:

S. No	Name	Designation
1.	Ramesh Ramanathan	Chairman and Director
2.	Raghunath Srinivasan	Director
3.	Swati Ramanathan	Director

Change in control of JCL

There has been no change in control of JCL in the last three years preceding the date of this Prospectus.

Our Bank confirms that the permanent account number, bank account number(s), company registration number and the address of the registrar of companies where JCL is registered, have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Jana Holdings Limited

Corporate Information

JHL was incorporated on March 10, 2016 at Bengaluru, Karnataka, India, as a public company under the Companies Act, 2013. The registered office of JHL is located at 2nd Floor, No. 80, 5th Cross, 4th Main, Maruthi Extension, Bengaluru, 560 021, Karnataka, India. JHL is registered with RBI as an NBFC-ND-NOFHC having certificate number N-02.00275 dated January 27, 2017.

The main objects of JHL are, among other things, to carry on the business of a non-operating financial holding company in terms of the guidelines issued by RBI.

The CIN of JHL is U74900KA2016PLC086838.

Promoters of JHL

Our Non-Executive Director, Ramesh Ramanathan, and JCL are the promoters of JHL.

Board of directors of JHL

The board of directors of JHL comprises of the following:

S. No	Name	Designation
1.	Ramesh Ramanathan	Chairman and Non-Executive Director
2.	Sakalespur Visweswaraiya Ranganth	Independent Director
3.	Rajamani Muthuchamy	Managing Director and Chief Executive Officer
4.	Abraham Chacko	Independent Director

Shareholding pattern of JHL

As on the date of this Prospectus, the authorised share capital of JHL is ₹500,000,000 divided into 35,000,000 equity shares of face value of ₹10 each and 15,000,000 preference shares of ₹10 each. The issued and paid-up share capital of JHL, as on the date of this Prospectus is ₹229,099,060 divided into 22,909,906 equity shares of face value of ₹10 each.

The shareholding pattern of the equity shares of JHL as on the date of this Prospectus is as follows:

S. No	Name of shareholder	Number of equity shares held	Percentage of equity shareholding (%)
1.	JCL	22,909,846	100.00
2.	Ramesh Ramanathan*	10	Nil
3.	R. Srinivasan*	10	Nil
4.	Vidya Sridharan*	10	Nil
5.	Gopalakrishnan S*	10	Nil
6.	C. P. Rangarajan*	10	Nil
7.	Rajamani Muthuchamy*	10	Nil
Total		**22,909,906**	**100.00**

* *Equity shares held by nominees on behalf of JCL, who is the beneficial owner of such equity shares.*

The shareholding pattern of the equity shares of JHL as on March 31, 2023:

S. No	Name of shareholder	Number of equity shares held	Percentage of equity shareholding (%)
1.	JCL	3,137,076	100.00
2.	Ramesh Ramanathan*	10	Nil
3.	R. Srinivasan*	10	Nil
4.	Vidya Sridharan*	10	Nil
5.	Gopalakrishnan S*	10	Nil
6.	C. P. Rangarajan*	10	Nil
7.	Rajamani Muthuchamy*	10	Nil
Total		**3,137,136**	**100.00**

* *Equity shares held by nominees on behalf of JCL, who is the beneficial owner of such equity shares.*

The shareholding pattern of the equity shares of JHL as on March 31, 2022:

S. No	Name of shareholder	Number of equity shares held	Percentage of equity shareholding (%)
1.	JCL	2,380,884	100.00
2.	Ramesh Ramanathan*	10	Nil
3.	R. Srinivasan*	10	Nil
4.	Vidya Sridharan*	10	Nil
5.	Gopalakrishnan S*	10	Nil
6.	C. P. Rangarajan*	10	Nil
7.	Rajamani Muthuchamy*	10	Nil
Total		**2,380,944**	**100.00**

* *Equity shares held by nominees on behalf of JCL, who is the beneficial owner of such equity shares.*

The shareholding pattern of the equity shares of JHL as on March 31, 2021 :

S. No	Name of shareholder	Number of equity shares held	Percentage of equity shareholding (%)
1.	JCL	2,380,884	100.00
2.	Ramesh Ramanathan*	10	Nil
3.	R. Srinivasan*	10	Nil
4.	Vidya Sridharan*	10	Nil
5.	Gopalakrishnan S*	10	Nil
6.	C. P. Rangarajan*	10	Nil
7.	Rajamani Muthuchamy*	10	Nil
Total		**2,380,944**	**100.00**

* *Equity shares held by nominees on behalf of JCL, who is the beneficial owner of such equity shares.*

Change in control of JHL

There has been no change in control of JHL in the last three years preceding the date of this Prospectus.

Our Bank confirms that the permanent account number, bank account number(s), company registration number and the address of the registrar of companies where JHL is registered, have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Change in control of our Bank

There has not been any change in control of our Bank in the last five years. However, our Bank has previously identified Ramesh Ramanathan, JUF and JHL as the promoters of our Bank pursuant to the Bank SHA and the Articles of Association.

As on the date of this Prospectus, JCL and JHL are promoters of our Bank and JHL, hold a total of 25.20% of the paid-up equity share capital on a fully diluted basis. For details, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" on page 338.

Interests of our Promoters

Our Promoters are interested in our Bank to the extent they are the promoters of our Bank and to the extent of their shareholding in the Bank and dividend payable, if any, and other distributions in respect of the Equity Shares held by them.

Our Promoters have no interest in any property acquired by the Bank in the three years preceding the date of this Prospectus, or proposed to be acquired by our Bank or in any transaction by our Bank for acquisition of land, construction of building or supply of machinery as on the date of this Prospectus.

No sum has been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as a member, in cash or shares or otherwise, by any person, either to induce them to become or to qualify them, as directors or Promoters or otherwise for services rendered by such Promoters or by such firms or companies in connection with the promotion or formation of our Bank.

Payment of benefits to our Promoters or our Promoter Group

Our Bank and JUF have entered into the Trademark Agreement. The royalty payable by our Bank pursuant to the Trademark Agreement is 0.40% (excluding GST) of our Bank's revenue from operations*, subject to an overall cap of ₹250 million per annum, which is to be reviewed annually. The amount payable to JUF under the Trademark Agreement, including taxes for Fiscals 2023 and 2022 was ₹99.56 million and ₹55.01, respectively.

**The term "revenue from operations" is not a line item in our Bank's financial statements and it is not defined in the Trademark Agreement. We have calculated the amount payable under the Trademark Agreement based on our Bank's Operating Income (Net Interest Income and other income).*

Other than this and except as disclosed in the "*Financial Statements*" beginning on page 388, no amount or benefit has been paid or given to our Promoters or our Promoter Group during the two years preceding the filing of this Prospectus.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Bank

Our Promoters have not given any material guarantees to third parties with respect to the Equity Shares of our Bank.

Companies or firms with which our Promoters has disassociated in the last three years

Our Promoters have not disassociated, sold or transferred their stake in any company or firm in the three years immediately preceding the date of this Prospectus.

Our Promoter Group

The details of the Promoter Group of our Bank, other than our Promoters, in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations (excluding our Promoters) are provided below:

- Jana Urban Foundation

There are no natural persons who form part of our Promoter Group.

DIVIDEND POLICY

Our Bank does not have a formal dividend policy. The declaration and payment of dividends is recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Banking Regulation Act and regulations made thereunder, the RBI Act and regulations and guidelines made thereunder, the Articles of Association and other applicable law, including the Companies Act, 2013. In terms of Section 15 of the Banking Regulation Act, a banking company is permitted to declare dividends only upon all of its capitalised expenses being written off.

RBI has, pursuant to its circulars dated April 17, 2020, mandated that banks shall not make any further dividend pay-outs from profits pertaining to the financial year ended March 31, 2020 until further instructions, with a view that banks must conserve capital in an environment of uncertainty caused by COVID-19. Further, RBI has, pursuant to circular dated December 4, 2020, mandated that banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2021, with a view to strengthen the balance sheets of banks and supporting lending to the real economy.

Our Bank has not declared any dividends for the half years period ended September 30, 2023, Fiscals 2023, 2022 and 2021. Further, our Bank has not declared any dividend from October 1, 2023 till the date of this Prospectus.

There is no guarantee that any dividends will be declared or paid in the future. Future dividends, if any, shall depend on various factors such as our revenues, profits, cash flow, financial condition, contractual restrictions, and capital requirements of our Bank and regulatory requirements. Additionally, restrictive covenants under the loans or financing arrangements our Bank is currently availing or may enter to finance our fund requirements for our business activities may impact our ability to pay dividends. For further details, see "*Risk Factors – Our ability to pay dividends in the future will depend on our financial condition, results of operations, cash flows, capital requirements, capital expenditures and restrictive covenants of our financing arrangements, as well as compliance with applicable RBI regulations"* and "*Financial Indebtedness*" on pages 110 and 507, respectively.

SELECTED STATISTICAL INFORMATION

This section should be read together with the Restated Financial Statements, including the notes thereto, in "Our Business" on page 255, "Financial Statements" on page 388 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 463.

Demand deposits are current account deposits. Although our Bank does not pay interest on demand deposits, demand deposits have been included as interest bearing liabilities in this section.

The following information is included for analytical purposes. Certain Non-GAAP Financial Measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Prospectus. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. Such Non-GAAP Financial Measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These Non-GAAP Financial Measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to Non-GAAP Financial Measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere. For more details, see "-Certain Non-GAAP Financial Measures" on page 386.

Average Balance Sheet, Interest Earned/Expended and Yield/Cost

The tables below present our average balances for total interest-earning assets and total interest-bearing liabilities together with the related interest earned and interest expended, resulting in the presentation of the yield and cost for each period/year.

Particulars	**Half year ended September 30,**					
	2023			**2022**		
	Average Balance(1) [A]	**Interest Earned(2)/ Expended(3) [B]**	**Yield/ Cost(4)(10) (%) [C = B/A]**	**Average Balance(1) [A]**	**Interest Earned(2)/ Expended(3) [B]**	**Yield/ Cost(4)(10) (%) [C = B/A]**
	(₹ in million, except percentages)					
Interest-earning assets:						
Advances	190,814.33	16,699.36	17.50%	137,772.73	12,347.72	17.92%
Investments	54,086.39	1,663.55	6.15%	56,890.93	1,478.95	5.20%
Others(5)	9,118.90	276.50	6.06%	6,699.67	135.59	4.05%
Total interest-earning assets(*)	**254,019.62**	**18,639.41**	**14.68%**	**201,363.32**	**13,962.26**	**13.87%**
Non-interest-earning assets:						
Fixed assets	1,298.32			1,584.95		
Other assets(6)	11,942.23			10,910.48		
Total non-interest-earning assets	13,240.55			12,495.43		
Total assets	267,260.18			213,858.75		
Interest-bearing liabilities:						
Deposits(7)	173,600.31	6,512.84	7.50%	137,256.41	4,486.25	6.54%
Borrowings(8)	58,514.98	2,250.23	7.69%	53,866.65	1,957.39	7.27%
Total interest-bearing liabilities(*)	**232,115.29**	**8,763.07**	**7.55%**	**191,123.06**	**6,443.64**	**6.74%**
Non-interest-bearing liabilities:						
Shareholders' Funds(9)	22,704.44			13,721.56		
Other liabilities	12,440.45			9,014.13		
Total non-interest- bearing liabilities	35,144.89			22,735.69		
Total liabilities	267,260.17			213,858.75		

Particulars	As at and for the year ended March 31,								
	2023			2022			2021		
	Average Balance (1) [A]	Interest Earned (2)/ Expended (3) [B]	Yield/ Cost(4) (%) [C = B/A]	Average Balance (1) [A]	Interest Earned (2)/ Expended (3) [B]	Yield/ Cost(4) (%) [C = B/A]	Average Balance (1) [A]	Interest Earned (2)/ Expended (3) [B]	Yield/ Cost(4) (%) [C = B/A]
	(₹ in millions, except percentages)								
Interest-earning assets:									
Advances	150,473.30	27,216.07	18.09%	120,952.41	24,120.34	19.94%	105,505.94	23,014.66	21.81%
Investments	55,899.73	3,252.08	5.82%	51,524.17	2,559.53	4.97%	37,852.87	1,719.19	4.54%
Others(5)	8,304.69	281.95	3.40%	17,385.67	585.48	3.37%	7,811.02	243.43	3.11%
Total interest-earning assets(*)	**214,677.72**	**30,750.10**	**14.32%**	**189,862.25**	**27,265.35**	**14.36%**	**151,169.82**	**24,977.28**	**16.52%**
Non-interest-earning assets:									
Fixed assets	1,471.75			1,836.21			2,339.01		
Other assets(6)	10,657.14			8,799.58			7,187.03		
Total non-interest-earning assets	**12,128.89**			**10,635.79**			**9,526.04**		
Total assets	**226,806.61**			**200,498.04**			**160,695.86**		
Interest-bearing liabilities:									
Deposits(7)	145,506.52	10,024.05	6.89%	128,672.66	9,304.24	7.23%	107,156.70	8,703.10	8.12%
Borrowings(8)	56,166.33	4,125.85	7.35%	52,621.60	4,063.28	7.72%	36,294.92	3,642.69	10.03%
Total interest-bearing liabilities(*)	**201,672.85**	**14,149.90**	**7.02%**	**181,294.26**	**13,367.52**	**7.37%**	**143,451.62**	**12,345.79**	**8.60%**
Non-interest-bearing liabilities:									
Shareholders' Funds(9)	15,254.88			11,428.09			11,102.06		
Other liabilities	9,878.88			7,775.69			6,142.17		
Total non-interest-bearing liabilities	**25,133.76**			**19,203.78**			**17,244.24**		
Total liabilities	**226,806.61**			**200,498.04**			**160,695.86**		

Notes:

1. *Average balances are calculated as the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year. The average balances of advances includes NPAs and are net of provisions for NPAs and average investments are net of depreciation or provision for investments, if any.*
2. *Interest earned on advances includes interest on advances and direct assignment transactions. Interest earned on investments includes interest earned on government securities and treasury bills. Interest earned on others includes interest on balances with banks in other deposits accounts and money at call and short notice ("**Interest-Earning Balance with Reserve Bank of India and other Inter-Bank Funds**").*
3. *Interest expended comprised interest expanded on deposits and borrowings.*
4. *Yield/Cost on average balance is a Non-GAAP Financial Measure and is calculated as interest earned/expended divided by the average balance.*
5. *Comprises Interest-Earning Balance with Reserve Bank of India and other Inter-Bank Funds.*
6. *Comprises cash in hand, balance with the Reserve Bank of India in current accounts, balances with banks in current accounts and other assets.*
7. *Comprises demand deposits, savings bank deposits and term deposits. Our Bank does not pay interest on demand deposits.*
8. *Borrowings include borrowing from other banks, other institutions and agencies and subordinated debt.*
9. *Comprises capital plus reserves and surplus (together, "**Shareholders' Funds**").*
10. *Annualized.*

** Non-GAAP Financial Measure.*

Analysis of Changes in Interest Earned and Interest Expended by Volume and Rate

The following tables set forth, for the periods and years indicated, the analysis of the changes in our interest earned and interest expended between average volume and changes in rates.

Particulars	Half year September 30, 2023 vs. Half year September 30, 2022		
	Net Changes in Interest(1)	Change in Average Volume(2)	Change in Rates(3)
	(₹ in millions, except percentages)		
Interest earned:			
Advances	4,351.64	53,041.60	(0.73)%
Investments	184.60	(2,804.54)	0.95%
Others	140.91	2,339.24	2.06%
Total interest earned [A]	**4,677.15**	**52,576.30**	**0.60%**
Interest expended:			
Deposits(4)	2,026.59	36,280.42	0.65%
Borrowings	292.84	4,648.33	0.42%
Total interest expended [B]	**2,319.43**	**40,928.75**	**0.58%**
Net Interest Income [A-B]	**2,357.72**	**11,647.55**	**0.01%**

Particulars	Year ended March 31, 2023 vs. Year ended March 31, 2022		
	Net Changes in Interest(1)	Change in Average Volume(2)	Change in Rates(3)
	(₹ in millions, except percentages)		
Interest earned:			
Advances	3,095.73	29,496.76	(1.85)%
Investments	692.55	4,375.62	0.85%
Others	(303.53)	(9,065.26)	0.02%
Total interest earned [A]	**3,484.75**	**24,807.12**	**(0.04)%**
Interest expended:			
Deposits(4)	719.81	16,694.82	(0.33)%
Borrowings	62.57	3,544.74	(0.38)%
Total interest expended [B]	**782.38**	**20,239.56**	**(0.35)%**
Net Interest Income [A-B]	**2,702.37**	**4,567.56**	**0.32%**

Particulars	Year ended March 31, 2022 vs. Year ended March 31, 2021		
	Net Changes in Interest(1)	Change in Average Volume(2)	Change in Rates(3)
	(₹ in millions, except percentages)		
Interest earned:			
Advances	1,105.68	15,446.47	(1.88)%
Investments	840.34	13,671.30	0.43%
Others	342.05	9,574.65	0.25%
Total interest earned [A]	**2,288.07**	**38,716.90**	**(2.16)%**
Interest expended:			
Deposits(4)	601.14	21,662.70	(0.90)%
Borrowings	420.59	16,326.67	(2.31)%
Total interest expended [B]	**1,021.73**	**37,989.37**	(1.24)%
Net Interest Income [A-B]	**1,266.34**	**727.53**	**(0.93)%**

Notes:

1. *The changes in interest earned, interest expended and Net Interest Income have been reflected as attributed either to volume or rate changes. For purposes of this table, changes that are due to both volume and rate have been allocated solely to changes in rate.*
2. *Change in average volume is computed as the increase in average balance for the period/year multiplied by yield/cost for the half year ended September 30, 2023 or Fiscals 2023 or 2022, as the case may be.*
3. *Change in rates represents the average balance for the half years ended September 30, 2023 and 2022 and Fiscals 2023, 2022 and 2021, as the case may be, multiplied by change in rates during the respective periods/years during the relevant period/year.*
4. *Comprises demand deposits, savings bank deposits and term deposits. We do not pay interest on demand deposits.*

Yield, Spread, Cost of Funds and Net Interest Margin

The following tables sets forth, for the periods and years indicated, the yield on our Bank's interest-earning assets, cost of funds on our interest-bearing liabilities, spread and net interest margins and certain other financial ratios.

Particulars	Six Months ended September 30,	
	2023	2022
	(₹ in millions, except percentages)	
Interest earned [A]	18,639.41	13,962.26
Of which:		
Interest/discount earned on advances/bills [B]	*16,699.36*	*12,347.72*
Interest expended [C]	8,763.07	6,443.64
Net Interest Income(1)(*) [D =A-C]	9,876.34	7,518.62
Average Interest-Earning Advances(2) [E]	190,814.33	137,772.73

Particulars	Six Months ended September 30,	
	2023	2022
	(₹ in millions, except percentages)	
Average Total Interest-Earning Assets[(3)] [F]	254,019.62	201,363.32
Average Total Assets[(4)] [G]	267,260.18	213,858.75
Average Total Interest-Bearing Liabilities[(5)] [H]	232,115.29	191,123.06
Average Total Interest-Earning Assets as a percentage of Average Total Interest-Bearing Liabilities [(*)] (%) [I = F/H]	109.44%	105.36%
Average Interest-Earning Advances as a percentage of Average Total Assets [(*)] (%) [J] = [E/G]	71.40%	64.42%
Average Total Interest-Earning Assets as a percentage of Average Total Assets [(*)] (%) [K] = [F/G]	95.05%	94.16%
Average Total Interest-Bearing Liabilities as a percentage of Average Total Assets [(*)] (%) [L] = [H/G]	86.85%	89.37%
Yield on Average Total Interest-Earning Assets [(6)(11)(*)] (%) [M] = [A/F]	14.68%	13.87%
Yield on Average Interest-Earning Advances [(7)(1))(*)] (%) [N = B/E]	17.50%	17.92%
Cost of Funds [(8)(11)(*)] (%) [O = C/H]	7.55%	6.74%
Spread [(9)(11)(*)] (%) [P = M-O]	7.13%	7.13%
Net Interest Margin [(10)((11)(*)] (%) [Q = D/F]	7.78%	7.47%
Average Interest-Earning Advances as a percentage of Average Total Interest-Bearing Liabilities [R = E/H]	82.21%	72.09%

Particulars	Year ended March 31,		
	2023	2022	2021
	(₹ in millions, except percentages)		
Interest earned [A]	30,750.10	27,265.35	24,977.28
Of which:			
Interest/discount earned on advances/bills [B]	*27,216.07*	*24,120.34*	*23,014.66*
Interest expended [C]	14,149.90	13,367.52	12,345.79
Net Interest Income[(1)(*)] [D =A-C]	16,600.20	13,897.83	12,631.49
Average Interest-Earning Advances[(2)] [E]	150,473.30	120,952.41	105,505.94
Average Total Interest-Earning Assets[(3)] [F]	214,677.72	189,862.25	151,169.82
Average Total Assets[(4)] [G]	226,806.61	200,498.04	160,695.86
Average Total Interest-Bearing Liabilities[(5)] [H]	201,672.85	181,294.26	143,451.62
Average Total Interest-Earning Assets as a percentage of Average Total Interest-Bearing Liabilities [(*)] (%) [I = F/H]	106.45%	104.73%	105.38%
Average Interest-Earning Advances as a percentage of Average Total Assets [(*)] (%) [J] = [E/G]	66.34%	60.33%	65.66%
Average Total Interest-Earning Assets as a percentage of Average Total Assets [(*)] (%) [K] = [F/G]	94.65%	94.70%	94.07%
Average Total Interest-Bearing Liabilities as a percentage of Average Total Assets [(*)] (%) [L] = [H/G]	88.92%	90.42%	89.27%
Yield on Average Total Interest-Earning Assets [(6)(*)] (%) [M] = [A/F]	14.32%	14.36%	16.52%
Yield on Average Interest-Earning Advances [(7)(*)] (%) [N = B/E]	18.09%	19.94%	21.81%
Cost of Funds [(8)(*)] (%) [O = C/H]	7.02%	7.37%	8.61%
Spread [(9)(*)] (%) [P = M-O]	7.30%	6.99%	7.92%
Net Interest Margin [(10)(*)] (%) [Q = D/F]	7.73%	7.32%	8.36%
Average Interest-Earning Advances as a percentage of Average Total Interest-Bearing Liabilities [R = E/H]	74.61%	66.72%	73.55%

Notes:

1. *Net Interest Income is interest earned minus interest expended (“**Net Interest Income**”).*
2. *Average Interest-Earning Advances are interest-earning assets (advances) calculated on the basis of the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year (“**Average Interest-Earning Advances**”).*
3. *Average Total Interest-Earning Assets are total interest-earning assets calculated on the basis of the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year (“**Average Total Interest-Earning Assets**”).*
4. *Average Total Assets are total assets calculated on the basis of the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year (“**Average Total Assets**”).*
5. *Average Total Interest-Bearing Liabilities are total interest-bearing liabilities calculated on basis of the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year (“**Average Total Interest-Bearing Liabilities**”).*
6. *Yield on Average Total Interest-Earning Assets is calculated as the ratio of interest earned to Average Total Interest-Earning Assets.*
7. *Yield on Average Interest-Earning Advances is calculated as ratio of interest earned on advances divided by Average Interest-Earning Advances.*
8. *Cost of funds is the ratio of interest expended to Average Total Interest-Bearing Liabilities (“**Cost of Funds**”).*
9. *Spread is the difference between Yield on Average Total Interest-Earning Assets and Cost of Funds (“**Spread**”).*

10. *Net Interest Margin is the ratio of Net Interest Income to Average Total Interest-Earning Assets ("**Net Interest Margin**").*
11. *Annualized.*
** Non-GAAP Financial Measure.*

Return on Equity and Assets and Other Financial Ratios

The following tables present selected financial ratios as at and for the periods and years indicated.

Particulars	As at and for the half year ended September 30,	
	2023	2022
	(₹ in millions, except percentages)	
Net Interest Income(*) [A]	9,876.34	7,518.62
Other income [B]	3,516.27	2,933.91
Operating Income(*) [C = A + B]	13,392.61	10,452.53
Operating expenses [D]	7,831.59	6,105.99
Pre-provision operating profit(*) [E = C – D]	5,561.02	4,346.54
Net profit [F]	2,132.18	556.34
Average Total Assets [G]	267,260.18	213,858.75
Average Shareholders' Funds(1) (*) [H]	22,704.44	13,721.56
Return on Equity(*) (%) [I = F/H]	18.78%	8.11%
Return on Assets(*) (%) [J = F/G]	1.60%	0.52%
Average Shareholders' Funds as a percentage of Average Total Assets(2) (*) (%) [K = H/G]	8.50%	6.42%
AUM	230,295.58	170,567.55
Percentage increase in AUM compared to the prior balance sheet amount disclosed in this table (%)	35.02%	
Gross advances	213,471.30	149,920.24
Percentage increase in gross advances compared to the prior balance sheet amount disclosed in this table (%)	42.39%	20.00%
Disbursements	84,790.98	65,629.60
Percentage increase in disbursements compared the prior year disclosed in this table (%)	29.20%	18.65%
Deposits	189,367.24	141,677.52
Percentage increase in deposits compared to the prior balance sheet amount disclosed in this table (%)	33.66%	11.05%
Cost to Income Ratio(3) (*) (%) [L = D/C]	58.48%	58.42%
Operating expenses to Average Total Assets(*) (%) [M = D/G]	5.86%	5.71%
Provision for non-performing assets and bad debts written off [N]	3,457.35	3,933.63
Provision for standard assets / (write back of provisions for standard assets) [O]	(174.21)	(144.28)
Average Interest-Earning Advances [P]	190,814.33	137,772.73
Credit Cost (4) (*) (%)	1.69%	2.69%
Retail Deposits to total deposit ratio(5) (%)	46.72%	53.05%
CASA to total deposits ratio(6) (*) (%)	20.49%	22.78%
Credit to deposits ratio (7) (*) (%)	110.94%	103.35%
Total income [Q]	22,155.68	16,896.17
Other income to total income ratio(*)(8) (%) [R = B/Q]	15.87%	17.36%

Particulars	As at and for the year ended March 31,		
	2023	2022	2021
	(₹ in millions, except percentages)		
Net Interest Income(*) [A]	16,600.20	13,897.83	12,631.49
Other income [B]	6,248.65	3,358.30	2,230.13
Operating Income(*) [C = A + B]	22,848.85	17,256.13	14,861.62
Operating expenses [D]	12,845.11	11,388.21	10,473.10
Pre-provision operating profit(*) [E = C – D]	10,003.74	5,867.92	4,388.52
Net profit [F]	2,559.71	174.71	722.60
Average Total Assets [G]	226,806.61	200,498.04	160,695.86
Average Shareholders' Funds(1) (*) [H]	15,254.87	11,428.09	11,102.06
Return on Equity(*) (%) [I = F/H]	16.78%	1.53%	6.51%
Return on Assets(*) (%) [J = F/G]	1.13%	0.09%	0.45%
Average Shareholders' Funds as a percentage of Average Total Assets(2) (*) (%) [K = H/G]	6.73%	5.70%	6.91%
AUM	201,018.02	153,473.37	127,705.26
Percentage increase in AUM compared to the prior	30.98%	20.18%	

Particulars	As at and for the year ended March 31,		
	2023	2022	2021
	(₹ in millions, except percentages)		
balance sheet amount disclosed in this table (%)			
Gross advances	180,007.41	132,503.20	118,389.82
Percentage increase in gross advances compared to the prior balance sheet amount disclosed in this table (%)	35.85%	11.92%	
Disbursements	148,117.18	115,862.61	76,244.62
Percentage increase in disbursements compared the prior year disclosed in this table (%)	27.84%	51.96%	(23.72%)
Deposits	163,340.16	135,364.92	123,162.58
Percentage increase in deposits compared to the prior balance sheet amount disclosed in this table (%)	20.67%	9.91%	
Cost to Income Ratio(3) (*) (%) [L = D/C]	56.22%	66.00%	70.47%
Operating expenses to Average Total Assets(*) (%) [M = D/G]	5.66%	5.68%	6.52%
Provision for non-performing assets and bad debts written off [N]	6,846.43	6,140.24	2,915.78
Provision for standard assets / (write back of provisions for standard assets) [O]	595.27(9)	(457.70)(9)	782.29(9)
Average Interest-Earning Advances [P]	150,473.30	120,952.41	105,505.94
Credit Cost (4) (*) (%)	4.84%	4.59%	3.41%
Retail Deposits to total deposit ratio(5) (%)	50.01%	53.33%	56.89%
CASA to total deposits ratio(6) (*) (%)	20.21%	22.52%	16.29%
Credit to deposits ratio (7) (*) (%)	108.73%	96.09%	94.18%
Total income [Q]	36,998.75	30,623.65	27,207.41
Other income to total income ratio(*)(8) (%) [R = B/Q]	16.89%	10.97%	8.20%

Notes:

1. *Average Shareholders' Funds is share capital plus reserves and surplus calculated on the basis of the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year.*
2. *Average Shareholders' Funds as a percentage of Average Total Assets is calculated as Average Shareholders' Funds divided by Average Total Assets.*
3. *Cost to Income Ratio is calculated as a ratio of operating expenses divided by Operating Income.*
4. *Credit Cost is calculated as a ratio of (provision for non-performing assets and bad debts written off plus provision for standard assets / (write back of provisions for standard assets)) divided by Average Gross Advances. Average Gross Advances are gross advances calculated on the basis of the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year ("**Average Gross Advances**").*
5. *Retail Deposits is calculated as CASA (demand deposits from banks plus demand deposits from others plus savings bank deposits) plus Retail Term Deposits (single rupee deposits of less than ₹20 million).*
6. *CASA to total deposits ratio is calculated as (demand deposits from banks plus demand deposits from others plus savings bank deposits) divided by total deposits.*
7. *Credit to deposits ratio is calculated as a ratio of net advances divided by total deposits.*
8. *Other income to total income ratio is calculated as other income divided by total income.*
9. *We made additional contingency provision on standard assets of ₹710.00 million, nil and nil for Fiscals 2023, 2022 and 2021, respectively, based on our evaluation of the risk and stress in unsecured advances in the Special Mention Account ("**SMA**") categories.*

** Non-GAAP Financial Measure.*

Investment Portfolio

The following tables sets forth, as at the dates indicated, information related to our total net investment portfolio.

Particulars	As at September 30, 2023			
	Book Value	Held to Maturity	Available for Sale	Held for Trading
	(₹ in millions)			
Government securities	50,014.98	32,012.17	18,002.81	-
Shares	-	-	-	-
Non-SLR-Security Receipts	5,076.96	-	5,076.96	-
Total	**55,091.94**	**32,012.17**	**23,079.78**	-

Particulars	As at March 31, 2023			
	Book Value	Held to Maturity	Available for Sale	Held for Trading
	(₹ in millions)			
Government securities	49,277.44	33,484.75	15,792.68	-
Shares	-	-	-	-
Non-SLR-Security Receipts	2,934.81	-	2,934.81	-
Total	**52,212.25**	**33,484.75**	**18,727.49**	**-**

Particulars	As at March 31, 2022			
	Book Value	Held to Maturity	Available for Sale	Held for Trading
	(₹ in millions)			
Government securities	49,727.38	29,429.07	20,298.31	-
Shares	-	-	-	-
Non-SLR-Security Receipts	925.23	-	925.23	-
Total	**50,652.61**	**29,429.07**	**21,223.54**	**-**

Particulars	As at March 31, 2021			
	Book Value	Held to Maturity	Available for Sale	Held for Trading
	(₹ in millions)			
Government securities	46,977.85	16,560.90	30,172.85	244.10
Shares	-	-	-	-
Non-SLR-Security Receipts	-	-	-	-
Total	**46,977.85**	**16,560.90**	**30,172.85**	**244.10**

Residual Maturity Profile

In computing the below information, only the book value of investments is considered. Depreciation and NPI provisioning for the investments is not considered.

Available for Sale

The following table sets forth, as at the date indicated, an analysis of the residual maturity profile of our investments in securities classified as available for sale securities and their weighted average market yields.

Particulars	As at September 30, 2023									
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years		Total	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
	(₹ in millions, excluding percentages)									
Government securities	18,002.81	6.92	-	-	-	-	-	-	18,002.81	6.92
Shares	-	-	-	-	-	-	-	-	-	-
Non-SLR Security Receipts	-	-	5,076.96	-	-	-	-	-	5,076.96	-
Total	**18,002.81**	**6.92**	**5,076.96**	**-**	**0.00**	**-**	**0.00**	**-**	**23,079.78**	**5.40**

Note: *Provisions towards depreciation and non-performing investments have been deducted from book value of respective categories. Therefore, total book value will match with the net balance on the balance sheet as at the respective dates.*

Held to Maturity

The following table sets forth, as at the date indicated, an analysis of the residual maturity profile of our investments in securities classified as held to maturity securities and their weighted average market yields.

Particulars	As at September 30, 2023									
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years		Total	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
	(₹ in millions, except percentages)									
Government securities	-	-	23,784.93	5.54	5,216.54	7.42	3,010.69	6.64	32,012.17	5.95
Shares	-	-	-	-	-	-	-	-	-	-
Non-SLR Security Receipts	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**23,784.93**	**5.54**	**5,216.54**	**7.42**	**3,010.69**	**6.64**	**32,012.17**	**5.95**

Held for Trading

The following table sets forth, as at the date indicated, an analysis of the residual maturity profile of our investments in securities classified as held to held for trading and their weighted average market yields.

Particulars	As at September 30, 2023									
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years		Total	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
	(₹ in millions, except percentages)									
Government securities	-	-	-	-	-	-	-	-	-	-
Shares	-	-	-	-	-	-	-	-	-	-
Non-SLR Security Receipts	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Deposits

Average Deposits, Interest Expended and Cost by Category

For details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Financial Condition, Results of Operations and Cash Flows – Net Interest Income – Average Total Deposits and Cost of Average Total Deposits and Average Borrowings and Cost of Average Borrowings*" on page 471.

Deposits by Category

For a table setting forth our deposits and the percentage composition by each category of deposits, see "*Our Business-Our Strengths- Fast growing Retail Deposits base and diversified deposit franchise*" on page 265.

Deposits Based on Location of Branches

For details, see "*Our Business – Concentration of Deposits*" on page 292.

Balance to Maturity for Bulk Deposits

For details, see "*Our Business – Balance to Maturity for Bulk Deposits*" on page 294.

Concentration of Deposits

For details, see "*Our Business – Concentration of Deposits*" on page 292.

Total Borrowings

The following tables set forth, as at and for the periods and years indicated, information related to our borrowings, which are comprised primarily of borrowings from banks, refinances and subordinated debt.

Particulars	As at and for the half year ended September 30,	
	2023	2022
	(₹ in millions, except percentages)	
Period-end balance	53,135.43	59,992.36
Average balance during the period (1)	58,514.98	53,866.65
Interest expended during the period	2,250.23	1,957.39
Cost of average borrowings (2)(4) (*) (%)	7.69%	7.27%
Average interest rate at period end (3) (%)	7.42%	7.25%

Particulars	As at and for the year ended March 31,		
	2023	2022	2021
	(₹ in millions, except percentages)		
Year-end balance	62,774.60	45,098.32	48,153.19
Average balance during the year (1)	56,166.33	52,621.60	36,294.92
Interest expended during the year	4,125.85	4,063.28	3,642.69
Cost of average borrowings (2) (*) (%)	7.35%	7.72%	10.04%
Average interest rate at year end (3) (%)	7.48%	7.24%	8.35%

Notes:

1. *Average is calculated as the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year.*
2. *Represents the ratio of interest expended on borrowings to the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year. All of the borrowings are interest-bearing.*
3. *Average interest per annum is calculated as the sum of interest rate of the borrowings multiplied by the closing balance of the borrowings divided by the sum of closing balance of the borrowings.*
4. *Annualized.*

** Non-GAAP Financial Measure.*

Asset Liability Gap and Interest Sensitivity Data

The following table sets forth the maturity pattern of certain items of assets and liabilities as at September 30, 2023, which is prepared/compiled based on guidelines provided by the RBI.

Particulars	Up to One Month	Over One Month to Three Months	Over Three Months to Six Months	Over Six Months to One Year	Over One Year to Three Years	Over Three Years to Five Years	Over Five Years	Total
	(₹ in millions, except percentages)							
Cash and Bank Balance with RBI	4,241.00	345.98	177.10	1,052.78	3,829.39	121.83	0.20	9,768.28
Balance with Banks	228.40	-	-	104.65	14.88	5.00	-	352.93
Advances	2,604.80	14,753.55	19,565.44	38,624.35	54,054.37	15,348.37	65,136.23	210,087.10
Investments	22,193.80	2,588.74	2,717.55	9,242.24	12,664.50	5,677.61	7.49	55,091.94
Fixed Assets	-	-	-	-	-	-	1,330.39	1,330.39
Other Assets	1,500.02	1,659.75	29.11	256.94	513.59	798.91	(2.65)	4,755.67
Total Assets	**30,768.02**	**19,348.01**	**22,489.20**	**49,280.96**	**71,076.73**	**21,951.72**	**66,471.67**	**281,386.31**
Capital & Reserve	-	-	-	-	-	-	25,689.65	25,689.65
Deposits	14,862.27	14,329.61	18,238.11	54,526.16	84,495.61	2,864.16	51.32	189,367.24
Borrowings	143.80	2,055.90	5,666.92	19,017.14	23,086.68	3,164.16	0.83	53,135.43
Other Liabilities	6,871.05	3,574.90	1,108.38	1,508.96	105.70	25.00	-	13,193.99
Total Liabilities	**21,877.12**	**19,960.41**	**25,013.41**	**75,052.26**	**107,687.99**	**6,053.32**	**25,741.80**	**281,386.31**
Liquidity Gap	8,890.90	(612.40)	(2,524.21)	(25,771.29)	(36,611.27)	15,898.40	40,729.87	-
Cumulative Liquidity Gap	8,890.90	8,278.50	5,754.29	(20,017.00)	(56,628.27)	(40,729.87)	-	-
Cumulative Liabilities	21,877.12	41,837.54	66,850.94	141,903.20	249,591.19	255,644.51	281,386.31	
Cumulative Liquidity Gap as a percentage of Cumulative Liabilities (%)	40.64%	19.79%	8.61%	(14.11)%	(22.69)%	(15.93)%	-	

Note: *Grouping of future Rupee cash flows in the above table is in accordance with the guidelines issued by RBI under its circular PBOD.NO.BP.BC.38/21.04.098/2007. The numbers for certain line items in the above table are different from those appearing in the same line item in the Restated Financial Statements as the above table was prepared as per RBI guidelines, which requires (a) perpetual bonds to be considered as Capital, (b) the table to be prepared on a gross basis without the netting of certain items, such as provisions relating to tax, prepaid taxes and advances set off, and (c) the accumulated profit for the year ended March 31, 2023 to be classified in other liabilities.*

Advances Under Management

Breakdown of AUM by gross advances and off-balance sheet advances

The table below sets forth the breakdown of our AUM by gross advances and off-balance sheet advances as the dates indicated.

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	(₹ in millions)			
Gross advances [A]	213,471.30	180,007.41	132,503.20	118,389.82
Off-balance sheet advances:				
Inter-bank participation certificates [i]	900.00	11,350.00	19,627.50	8,898.80
Assigned advances [ii]	10,847.35	6,725.80	417.44	416.64
Advances sold to ARCs for which our Bank is acting as a collection agent [iii]	5,076.96	2,934.81	925.23	-
Total off-balance sheet advances [B = I + ii + iii]	***16,824.31***	***21,010.61***	***20,970.17***	***9,315.44***
AUM(*) [C = A + B]	**230,295.58**	**201,018.02**	**153,473.37**	**127,705.26**

Note:

* *Non-GAAP Financial Measure.*

For details on our gross advances by product category, see "*Our Business – Asset Products*" on page 272.

For details on our disbursed advances by product category, see "*Our Business – Asset Products – Advances Portfolio"* on page 283.

For details on the average tenure of our disbursed advances by product category, see "*Our Business – Asset Products – Advances Portfolio*" on page 283.

For details on the average amount (commonly referred to as "ticket size") of our disbursed advances by product category, see "*Our Business – Asset Products – Advances Portfolio*" on page 283.

For details on the number of our disbursed advances by product category, see "*Our Business – Asset Products – Advances Portfolio*" on page 283.

For details on the average yield of our gross advances by product category, see "*Our Business – Asset Products – Advances Portfolio*" on page 283.

For details on our sector-wise outstanding gross advances and the proportion of these advances to our outstanding gross advances, see "*Our Business – Asset Products – Advances Portfolio*" on page 283.

Maturity and Interest Rate Sensitivity of Advances

For details on the interest rate sensitivity of our variable rates and fixed rates advances as at March 31, 2023, see "*Risk Factors – If we are unable to effectively manage our interest rate risk it would have an adverse effect on our Net Interest Margin, which would adversely affect our Net Interest Income and, in turn, our results of operations and cash flows. In addition, an increase in interest rates would result in a decrease in the value of our fixed income securities, which would adversely affect our financial condition, results of operations and cash flows*" on page 52.

Regional Concentration of Advances (Gross)

For an analysis of our advances by region, see "*Our Business – Asset Products – Regional Concentration of Advances (Gross)*" on page 380.

Concentration of Advances and Credit Substitutes by Industry/ Economic Activity

Pursuant to RBI guidelines, exposure ceilings are 10% of capital funds in the case of a single borrower and 15% in the case of a borrower group. There are generally no restrictions in India on exposure to a particular industry. RBI norms specify exposure to capital market, real estate, sensitive commodities listed by the RBI, venture capital funds, stockbrokers, financing for acquisition of overseas entities, and credit to overseas joint ventures. For further information, see "*Key Regulations and Policies*" on page 313.

For details on our gross fund-loans outstanding categorized by borrower industry or economic activity, see "*Our Business – Asset Products - Concentration of Advances and Credit Substitutes by Industry/ Economic Activity*" on page 380.

Priority Sector Lending

Small Finance Banks in India are required to lend, through advances or investment, 75% of their adjusted net bank credit ("**ANBC**") or credit equivalent amount of off-balance sheet exposures, whichever is higher, to specified sectors known as "priority sectors", subject to certain exemptions permitted by RBI from time to time. Priority sector advances include advances to agriculture sector, micro and small enterprises, weaker sections, housing and education finance up to certain ceilings.

We are required to comply with the priority sector lending requirements on a quarterly basis. Any shortfall in the amount required to be lent to the priority sectors is required to be deposited with the Rural Infrastructure Development Fund established by NABARD or funds with other financial institutions as specified by the RBI, which generally provide for lower than market interest rate. Therefore, if we are unable to meet the priority sector conditions requirements, it could have an adverse effect on our results of operations.

For details on our outstanding Priority Sector advances (as defined by the Government and the RBI) by sector, our ANBC and each sector as a percentage of our ANBC, see "*Our Business – Asset Products - Priority Sector Lending*" on page 287.

Capital to Risk-Weighted Assets Ratios

Our Bank is subject to the capital to risk-weighted assets ratio, or CRAR, requirements prescribed by the RBI. As at March 31, 2023, we were required to maintain a minimum capital to risk-weighted assets ratio of 15.00% (with Tier I Capital of 7.5%).

The following table sets forth our capital to risk-weighted assets ratios as at the dates indicated:

Particulars	**As at September 30, 2023**	**As at March 31,**		
		2023	**2022**	**2021**
	(₹ in millions, except percentages)			
Tier I Capital	24,583.42	17,074.80	11,369.30	10,746.91
Of which				
Common Equity Tier 1 Capital	*21,883.42*	*14,374.80*	*9,869.30*	*9,246.91*
Perpetual Debt Instruments	-	-	-	-
Tier II Capital	2,764.98	3,334.71	3,303.91	3,441.36
Of which	-	-	-	-

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(₹ in millions, except percentages)			
Subordinated Debt	1,200.00	1,800.00	*2,660.00*	*2,832.00*
Total Capital	27,348.40	20,409.51	14,673.21	14,188.27
Total risk weighted assets	156,267.07	131,123.58	96,131.11	91,470.50
Tier I Capital Adequacy Ratio (%)	15.73%	13.02%	11.83%	11.75%
Of which:				
Common Equity Tier 1 Capital Adequacy Ratio (%)	*14.00%*	*10.96%*	*10.27%*	*10.11%*
Tier II Capital Adequacy Ratio (%)	1.77%	2.55%	3.43%	3.76%
Total Capital Adequacy Ratio (%)	**17.50%**	**15.57%**	**15.26%**	**15.51%**

Non-Performing Advances

For tables setting forth information about our NPA portfolio and provisions as at and for the half years ended September 30, 2023 and 2022 and as at and for the years ended March 31, 2023, 2022 and 2021, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Financial Condition, Results of Operations and Cash Flows – Non-Performing Advances and Provisions and Write-offs for Non-Performing Advances* " on page 467.

Recognition of Non-Performing Advances

We classify our advances in accordance with the RBI guidelines. Under these guidelines, an advance is classified as non-performing if any amount of interest or principal remains overdue for more than 90 days with respect to term loans. In respect of overdraft and cash credit, an advance is classified as non-performing if the account remains out of order for a continuous period of 90 days, and in respect of bills purchased and discounted, if the account remains overdue for more than 90 days.

Changes Implemented Pursuant to the RBI's COVID-19 Relief Package and Orders by the Supreme Court of India

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, we 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. In line with the additional Regulatory Package guideline dated May 23, 2020, we extended the moratorium by another three months on payment of all instalments and/ or interest, as applicable, falling due between June 1, 2020 and August 31, 2020. For all such accounts where the moratorium was 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 purposes of asset classification under the Income Recognition, Asset Classification and Provisioning norms).

The Supreme Court of India vide an interim order dated September 3, 2020 directed banks that accounts that were not declared as NPAs until August 31, 2020 shall not be declared as NPAs until further order, which order was vacated by the Supreme Court of India's judgment in *Small Scale Industrial Manufactures Associate (Regd.) vs Union of India and others* on March 23, 2021. Therefore, our Bank did not classify any borrower account that had not been declared as an NPA as at August 31, 2020 as per the RBI's prudential norms on income recognition, asset classification, provisioning and other related matters as NPAs after August 31, 2020 until March 23, 2021. From March 23, 2021, our Bank resumed recognising overdue accounts not previously recognised as NPAs, as NPAs.

In the above referenced judgment, the Supreme Court directed that there shall not be any charge of interest on interest/ compound interest/ penal interest for the period during the Moratorium and any amount already recovered by way of interest on interest/ compound interest/ penal interest shall be refunded to the respective borrowers and to be given credit/adjusted in the next instalment of the loan account. Additionally, the RBI's notification dated April 7, 2021 required us to refund/adjust 'interest on interest' to all borrowers, including those who had availed of working capital facilities, during the Moratorium, irrespective of whether the Moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' was finalised by the Indian Banks Association (the "**IBA**") in consultation with other industry participants/ bodies on April 19, 2021. As per the RBI's notification dated April 7, 2021, for the period commencing on September 1, 2020, asset classification for all such accounts shall be as per the applicable RBI asset classification norms.

Substandard Advances

In accordance with RBI guidelines, a substandard advance is an advance that has remained non-performing for a period less than or equal to 12 months.

Doubtful Advances

In accordance with RBI guidelines, a doubtful advance is an advance that has remained in the sub-standard category for a period of 12 months. Further, these doubtful advances are to be classified into the following three categories, depending on the period for which such advances have been classified as doubtful:

- Advances which have remained in the doubtful category for a period of up to one year;
- Advances which have remained in the doubtful category for a period of more than one year but less than three years; and
- Advances which have remained in the doubtful category for a period of more than three years.

Loss Advances

In accordance with the RBI guidelines, a loss advance is an advance where loss has been identified by us or internal or external auditors or the RBI at the time of inspection but the amount has not been wholly written off / provided for.

In cases of serious credit impairment, an advance is required to be immediately classified as doubtful or as a loss advance, as appropriate. Further, erosion in the value of the security provided may also be considered significant when the realisable value of the security is less than 50.0% of the value as assessed by us or as accepted by the RBI at the time of the last inspection of the security, as the case may be. In such a case, the advance secured by such impaired security may immediately be classified as doubtful and provisioning should be made as applicable to doubtful advance. If the realisable value of the security, as assessed by us or approved valuers or by the RBI, is less than 10.0% of the outstanding in the borrower's accounts, the existence of security should be ignored and the advance should be immediately classified as a loss asset and it may be either written off or fully provided for by us.

Non-accrual Policy

Once a loan account is identified as non-performing, interest and other fees charged in the account, if uncollected, are reversed. In accordance with RBI guidelines, interest realised on NPAs may be credited to a bank's income account provided that such credited interest is not out of fresh or additional credit facilities sanctioned to the borrower. The RBI has also stipulated that in the absence of a clear agreement between us and the borrower for the purpose of appropriating recoveries in NPAs (i.e., towards principal or interest due), banks should adopt an accounting principle and exercise the right of appropriation of recoveries in a uniform and consistent manner.

In the case of NPAs where recoveries are effected, our policy is to appropriate the same against the demand of the customers. If any of a borrower's advances are classified as an NPA, all advances to such borrower are classified as NPAs. For more information on the recognition and provisioning of NPAs, see the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Results of Operations – Critical Accounting Policies*" on page 477.

Policies for Making Provisions for Standard Advances

In accordance with RBI guidelines, a general provision is made on all standard advances based on the category of advances identified in the RBI's guidelines. If a standard asset is repaid or becomes a NPA, the standard provision on such restructured advance is written-back.

<u>Changes Implemented Pursuant to the RBI's COVID-19 Relief Packages</u>

Pursuant to the RBI's 'COVID-19 Regulatory Packages', which were announced on March 27, 2020, April 17, 2020 and May 23, 2020 (collectively, the "COVID-19 Regulatory Packages"), lending institutions, including us, were permitted to grant a moratorium of six months on the payment of all instalments and interest on term loans falling due between March 1, 2020 and August 31, 2020 (the "**Moratorium**"). The RBI's circulars in relation to the Moratorium required us to make a provision of 10.0% on loans that were subject to the Moratorium and that were overdue but standard as at February 29, 2020.

Additional Provisions on Standard Advances

In addition to the general provision made on all standard advances based on the category of advances identified in the RBI's guidelines and a provision of 10.0% on loans that were subject to the Moratorium and that were overdue but standard as at February 29, 2020, we also make additional contingency provision on standard assets based on our evaluation of the risk and stress in unsecured advances in the SMA categories. There are three SMA sub-categories, i.e., SMA-0, SMA-1, and SMA-2. 1. SMA-0 refers to those standard advances that are overdue between 1 to 30 days. SMA-1 refers to those standard advances that are overdue between 31 to 60 days. SMA-2 refers to those standard advances that are overdue between 61 to 90 days.

Provision for Restructured Standard Assets (including DIFV)

In accordance with RBI guidelines, a provision (including diminution in fair value ("**DIFV**")) is made on restructured standard assets based on the category of advances identified in the RBI's guidelines. If a restructured standard asset is repaid or becomes a NPA, the standard provision on such restructured asset is written-back.

Policy for Making Provisions for Non-Performing Advances

Our policy for making provisions for non-performing advances, which is in accordance with the RBI's policy on provisioning, is described below:

Substandard Advances

The general provisioning requirement for substandard advances is 15.0% of the amount outstanding without making any allowance for ECGC guarantee cover and securities available and in respect of "unsecured exposures" identified as "substandard", an additional provision of 10.0% of the amount outstanding (i.e., a total of 25.0% in the outstanding balance).

As at September 30, 2023, 42.58% of our advances were unsecured. As per our Board approved policy, unsecured loans that are classified as 'substandard' and 'doubtful' attract a total of 25.00% and 100.00% provisioning on the day of slippages, respectively.

Accordingly, the provisioning on the substandard category, as approved by the Board, is as follows:

Period for which the advance has remained in 'Substandard' category	Provision requirement (%) (secured loan)	Provision requirement (%) (unsecured loan)
On classification	15%	25%
After the end of Quarter 1	15%	25%
After the end of Quarter 2	15%	25%
After the end of Quarter 3	15%	25%

Doubtful Advances

The following provisions are made for doubtful advances.

- Doubtful "up to one year" – 100.00% of the unsecured portion and 25.00% of the secured portion;
- Doubtful "one to three years" – 100.00% of the unsecured portion and 40.00% of the secured portion; and
- Doubtful "more than three years" – 100.00% of the unsecured portion and, 100.00% of the secured portion.

Loss Advances

Loss advances are 100.00% provided for or written off.

The above-mentioned provisions are the minimum provisions that have to be provided for non-performing advances in accordance with the RBI's policy. We provide for more than the stipulated rates if we feel that the credit deterioration of the customer requires us to do so.

Floating Provisions

We do not carry any floating provision in our books.

Analysis of our NPAs by Industry Sector

For details on our non-performing advances by the borrower's industry or economic activity, see "*Our Business – Analysis of Non-Performing Advances by Industry Sector*" on page 288.

Analysis of our NPA Portfolio by Category of Advance

For details on our non-performing advances by the category of advances, see "*Our Business – Analysis of our NPA Portfolio by Category of Advance*" on page 288.

Movement in NPAs

The tables below set forth details in relation to our NPAs as at and for the periods and years indicated.

Particulars	As at and for the half year ended September 30,	
	2023	2022
	(₹ in millions, except percentages)	
Opening balance of Gross NPAs at the beginning of the period	7,091.86	7,569.04
Additions during the period	5,190.11	8,415.83
Less: Reductions during the period on account of recovery	(4,975.90)	(2,229.54)
Less: Reductions during the period on account of upgradations	(850.80)	(722.09)
Less: Reductions during the period on account of write-offs (including	(1,242.15)	(2,798.33)

Particulars	As at and for the half year ended September 30,	
	2023	2022
	(₹ in millions, except percentages)	
technical write-offs)		
Gross NPAs	5,213.13	10,234.80
Net NPAs	1,828.93	6,741.13
Gross Advances	213,471.30	149,920.24
Net Advances	210,087.10	146,426.49
Gross NPAs/Gross Advances (%)	**2.44%**	**6.83%**
Net NPAs/Net Advances (%)	**0.87%**	**4.60%**

Particulars	As at and for the year ended March 31,		
	2023	2022	2021
	(₹ in millions, except percentages)		
Opening balance of Gross NPAs at the beginning of the year	7,569.04	8,579.84	3,208.10
Additions during the year	13,111.45	13,042.35	8,281.90
Less: Reductions during the year on account of recovery	(5,598.03)	(5,716.74)	(168.20)
Less: Reductions during the year on account of upgradations	(1,601.05)	(2,483.12)	(414.90)
Less: Reductions during the year on account of write-offs (including technical write-offs)	(6,389.55)	(5,853.29)	(2,327.03)
Gross NPAs	7,091.86	7,569.04	8,579.84
Net NPAs	4,680.00	5,132.58	6,186.75
Gross Advances	180,007.41	132,503.20	118,389.82
Net Advances	177,595.55	130,066.74	115,996.73
Gross NPAs/Gross Advances (%)	**3.94%**	**5.71%**	**7.24%**
Net NPAs/Net Advances (%)	**2.64%**	**3.95%**	**5.33%**

Movement in Provisions for NPAs

The table below sets forth details of the movement in our provisions for NPAs as at and for the periods and years indicated.

Provisions for NPAs	As at for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
	(₹ in millions)				
Opening balance at the beginning of the period/year	2,411.86	2,436.48	2,436.46	2,393.09	1,804.28
Additions during the period/year	3,457.40	3,933.62	6,846.43	6,229.72	2,915.81
Deductions during the period/year	(2,485.06)	(2,876.35)	(6,871.03)	(6,186.35)	(2,327.00)
Provisions at the close of the period/year	**3,384.20**	**3,493.75**	**2,411.86**	**2,436.46**	**2,393.09**

Details of our Gross Advances, Provisions for Gross Advances and Provision Coverage Ratio

The table below sets forth details of our gross advances, provisions for gross advances and Provision Coverage Ratio as at the dates indicated.

Particulars	As at			
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
	(₹ in millions, except percentages)			
Standard	208,258.17	172,915.55	124,934.16	109,809.98
Of which:				
SMA-1(1)	*2,259.36*	*4,438.01*	*6,495.11*	*2,326.69*
SMA-2(2)	*1,744.66*	*440.33*	*718.66*	*565.10*
Sub-standard	2,585.97	6,940.06	7,444.44	8,003.31
Doubtful	2,627.16	151.55	124.60	519.11
Loss	-	0.25	-	57.42
Total provision towards NPAs [A]	3,384.20	2,411.86	2,436.46	2,393.09
Gross Advances [B]	213,471.30	180,007.41	132,503.20	118,389.82
Gross NPAs [C]	5,213.13	7,091.86	7,569.04	8,579.84
Total provisions (including provision towards standard assets) (3) [D]	4,566.60	3,768.47	3,197.75	3,610.98

Particulars	As at			
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
	(₹ in millions, except percentages)			
Total provisions (including provision towards standard assets) held as percentage of gross advances (%) [E = D/B] (*)	2.14%	2.09%	2.41%	3.05%
Provision Coverage Ratio (%) [F = A/C] (*)	64.92%	34.01%	32.19%	27.89%

Notes:

1. *SMA-1 refers to those standard advances that are overdue between 31 to 60 days.*
2. *SMA-2 refers to those standard advances that are overdue between 61 to 90 days.*
3. *We had additional contingency provision on standard assets of 427.60 million, ₹710.00 million, Nil and Nil as at September 30, 2023, March 31, 2023, 2022 and 2021, respectively, based on our evaluation of the risk and stress in unsecured advances in the SMA categories.*

* *Non-GAAP Financial Measure.*

Upgradations of Loan Accounts Classified as NPAs

If arrears of interest and principal are paid by the borrower in the case of loan account classified as NPAs, the account will no longer be treated as non-performing and be classified as a 'standard' account.

Restructuring of Advances

All of our loans where the repayment terms of existing advances have been revised in order to extend the repayment period and/ or decrease the instalment amount and/ or decrease the interest rate as per the borrower's request are marked as rescheduled loans.

We consider a restructured account, if any, as one where we, for economic or legal reasons relating to the borrower's financial difficulty, grant to the borrower concessions that we would not otherwise consider. Restructuring would normally involve modification of terms of the advance/ securities, which would generally include, among others, alteration of repayment period/ repayable amount/ the amount of instalments/ rate of interest (due to reasons other than competitive reasons). However, extension in repayment tenure of a floating rate loan on reset of interest rate, so as to keep the equated monthly instalment ("**EMI**") unchanged, provided it is applied to a class of accounts uniformly, will not render the account to be classified as a 'restructured account'. In other words, extension or deferment of EMIs to individual borrowers as against to an entire class, would render the accounts to be classified as 'restructured accounts' except as permitted by the RBI.

Restructured accounts are classified as such by us only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of the asset is made. Restructuring of an account, if any, is done at a borrower level. This will result in immediate down-gradation of the loan, i.e., a standard loan will become sub-standard and attract provisions as per the asset classification and subsequent provisioning norms. The NPAs, upon restructuring, would continue to have the same asset classification as prior to restructuring and slip into further lower asset classification categories as per extant asset classification norms with reference to the pre-restructuring repayment schedule. If such account classified as NPA performs regularly, it will be upgraded after satisfactory performance during the 'specified period'. Specified period means a period of one year from the commencement of the first payment of interest or principal, whichever is later, on the credit facility with longest period of moratorium under the terms of restructuring package.

The erosion in the fair value of the advance is computed as the difference between the fair value of the loan before and after restructuring. Fair value of the loan before restructuring is computed as the present value of cash flows representing the interest at the existing rate charged on the advance before restructuring and the principal, discounted at the existing interest rate as on the date of restructuring. Fair value of the loan after restructuring is computed as the present value of cash flows representing the interest at the rate charged on the advance on restructuring and the principal, discounted at the existing interest rate on the date of restructuring. If due to lack of expertise / appropriate infrastructure, a bank finds it difficult to ensure computation of diminution in the fair value of advances, as an alternative to the methodology prescribed above for computing the amount of diminution in the fair value, banks will have the option of notionally computing the amount of diminution in the fair value and providing therefor, at five per cent of the total exposure, in respect of all restructured accounts where the total dues to bank(s) are less than ₹10 million.

Additional finance approved under the resolution plan is treated as a 'standard asset' during the specified period, provided the account performs satisfactorily during the specified period. If the restructured asset fails to perform satisfactorily during the specified period or does not qualify for upgradation at the end of the specified period, the additional finance shall be placed in the same asset classification category as the restructured debt.

On August 6, 2020, the RBI issued a circular that permitted lenders to implement a resolution plan ("**Resolution Framework 1.0**"), along with asset classification benefits, for eligible corporate and individual borrower segments. Lenders had to ensure that the resolution facility was provided only to borrowers impacted by COVID-19. The resolution facility was applicable for accounts classified as standard and not in default for more than 30 days as at March 1, 2020. The resolution plans had to be finalized by December 31, 2020 and implemented within 180 days from the date of invocation. Restructuring of loans was also allowed for MSMEs.

On May 5, 2021, the RBI announced the resolution framework 2.0 ("**Resolution Framework 2.0**") to protect individuals and MSMEs from the adverse effect of the second wave of COVID-19. The Resolution Framework 2.0 was applicable for accounts classified as 'Standard' as at March 31, 2021, wherein individuals and MSMEs having an aggregate loan exposure of up to ₹250 million who have not availed restructuring under any of the earlier restructuring frameworks and who were classified as 'Standard' as on March 31, 2021 were allowed to restructure their loans. Restructuring under the proposed framework was able to be invoked up to September 30, 2021 and had to be finalised and implemented within 90 days after invocation of the resolution process (with the last date to implement the restructuring for banks being December 31, 2021). The Resolution Framework 2.0 included rescheduling of loan equated monthly instalments and the granting of a moratorium as per our Board-approved policy. In accordance with Resolution Framework 2.0 and our Board approved policy, our Bank restructured loans that were standard as at March 31, 2021. For the purpose of restructuring, the balance outstanding as at the date of restructuring includes interest accrued as at such date, which is considered to be residual debt, and the equated monthly instalment is fixed for such debt by extending the tenure of the loan, if required. Our Bank also provided initial holidays at the customer's request to start repaying their loan as per Resolution Framework 2.0. Our Bank restructured 706,061 accounts amounting to ₹8,567.80 million as per Resolution Framework 2.0.

For further details on loans restructured under Resolution Framework 1.0 and Resolution Framework 2.0, see "*Financial Statements – Note 7(h) Disclosure under Resolution framework for COVID-19 related stress*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Financial Condition, Results of Operations and Cash Flows – Effects of the COVID-19 Pandemic*" on pages 436 and 473, respectively.

Certain Non-GAAP Financial Measures

The body of generally accepted accounting principles is commonly referred to as "GAAP." Our management believes that the presentation of certain Non-GAAP Financial Measures provides additional useful information to investors regarding our performance and trends related to our results of operations. Accordingly, we believe that when Non-GAAP Financial Measures are viewed together with GAAP financial information, investors are provided with a more meaningful understanding of our ongoing operating performance and financial results.

We use a variety of financial and operational performance indicators to measure and analyse its operational performance from period to period, and to manage its business. Our management also uses other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the Indian banking industry to evaluate our financial and operating performance. For these reasons, we have included certain Non-GAAP Financial Measures in this section and elsewhere in this Prospectus, including, among others: Cost to Income Ratio; Net Interest Income; Net Interest Margin; Yield on Average Interest-Earning Advances; Yield on Average Interest-Earning Investments; Yield on Average Interest-Earning Balance with Reserve Bank of India and other Inter-Bank Funds, Yield on Average Total Interest-Earning Assets; net worth; return on net worth; Return on Equity; Return on Assets; Average Total Interest-Earning Assets as a percentage of Average Total Interest-Bearing Liabilities; Average Interest-Earning Advances as a percentage of Average Total Assets; Average Total Interest-Earning Assets as a percentage of Average Total Assets; Average Total Interest-Bearing Liabilities as a percentage of Average Total Assets; Cost of Funds; Spread; Operating Income; Average Shareholders' Funds as a percentage of Average Total Assets; Operating Expenses to Average Total Assets; provisions to Average Interest-Earning Advances; CASA to total deposits ratio; Credit to Deposits Ratio; total provision (including provision towards standard assets) held as percentage of gross advances; total provision towards NPAs held as a percentage of gross NPAs; Cost of Deposits; Cost of Average Borrowings; Cost of Average Total Interest-Bearing Liabilities; Cost of Average Savings Bank Deposits; Cost of Average Term Deposits; Cost of Average Total Deposits; Average CASA to Average Total Deposits; Cost of Average CASA; and pre-provision operating profit, as well as certain other metrics based on or derived from those Non-GAAP Financial Measures. These financial and operational performance indicators have limitations as analytical tools. These Non-GAAP Financial Measures are not calculated in accordance with Indian GAAP and, therefore, should not be viewed as substitutes for performance or profitability measures under Indian GAAP. As a result, these financial and operational performance indicators should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported under Indian GAAP and presented in our Restated Financial Statements. Our use of these terms may vary from the use of similarly titled measures by other banks due to potential inconsistences in the method of calculation and differences due to items subject to interpretation and, as such, they may not be comparable to similar financial or performance indicators used by other banks or financial institutions.

Set forth below are the Non-GAAP Financial Measures presented in this Prospectus that are able to be reconciled to a directly comparable Indian GAAP measure that have not already been reconciled to a directly comparable Indian GAAP measure in the tables above or in the tables in "*Risk Factors*" "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 37, 225 and 463, respectively.

Credit Cost

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions, except for percentages)				
Provision for non-performing assets and bad debts written off [A]	3,457.35	3,933.63	6,846.43	6,140.24	2,915.78
Provision for standard assets / (write back of provisions for standard assets) [B]	(174.21)	(144.28)	595.27[(1)]	(457.70)[(1)]	782.29[(1)]
Average Gross Advances [C]	193,529.21	140,881.55	153,772.18	123,889.65	107,451.01
Credit Cost [D = (A +B)/C] (%)	**1.69%**	**2.69%**	**4.84%**	**4.59%**	**3.44%**

Note:

1. *We made additional contingency provision on standard assets of 427.60 million, Nil, ₹710.00 million, Nil and Nil for the half years ended September 30, 2023 and 2022 and Fiscals 2023, 2022 and 2021, respectively, based on our evaluation of the risk and stress in unsecured advances in the SMA categories.*

Average CASA to Average Total Deposits

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions, except for percentages)				
Average CASA [A]	34,914.62	31,920.97	32,161.69	26,221.59	11,697.18
Average Total Deposits [B]	173,600.31	137,256.41	145,506.52	128,672.66	107,156.70
Average CASA to Average Total Deposits [C = A/B] (%)	**20.11%**	**23.26%**	**22.10%**	**20.38%**	**10.92%**

Total Credit to Deposits Ratio

Particulars	As at September 30,		As at March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions, except for percentages)				
Net Advances [A]	210,087.10	146,426.49	177,595.55	130,066.74	115,996.73
Total Deposits [B]	189,367.24	141,677.52	163,340.16	135,364.92	123,162.58
Total Credit to Deposit Ratio [C = A/B] (%)	**110.94%**	**103.35%**	**108.73%**	**96.09%**	**94.18%**

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

[*The remainder of this page has intentionally been left blank*.]

Report of the independent auditor on the restated summary statement of assets and liabilities as at and for the half year ended September 30, 2023 and September 30, 2022, and for the each year ended March 31, 2023, March 31, 2022, and March 31, 2021, the restated summary statement of profit and loss and the restated summary statement of cash flows for the half year ended September 30, 2023 and September 30, 2022, and for the years ended March 31, 2023, March 31, 2022, and March 31, 2021, along with the summary statement of significant accounting policies and other explanatory information of Jana Small Finance Bank Limited (collectively, the "Restated Financial Information")

The Board of Directors
Jana Small Finance Bank Limited
The Fairway Business Park
No 10/1, 11/2 & 12/2B
Off Domlur, Koramangala Inner Ring Road
Next to Embassy Golf Links Business Park
Challaghatta, Bengaluru – 560071, India

Dear Sirs,

1. We have jointly examined the Restated Financial Information of Jana Small Finance Bank Limited ("the Bank" or the "Issuer") as at and for the half year ended September 30, 2023 and September 30, 2022 and for the each year ended March 31, 2023, March 31, 2022 and March 31, 2021, which is annexed to this report, for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus ("Prospectus"), prepared by the Bank in connection with its proposed initial public offer of equity shares of face value of Rs. 10 each ("Offer"). The Restated Financial Information, which have been approved by the Board of Directors of the Bank at their meeting held on January 20, 2024, have been prepared by the Bank in accordance with the requirements of:

   a. the Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "SEBI ICDR Regulations"); and

   c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Restated Financial Information

2. The Bank's management are responsible for the preparation of Restated Financial Information for the purpose of inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India ("SEBI "), BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") and Registrar of Companies of Karnataka at Bengaluru ("ROC") in connection with the proposed Offer. The Bank's management has prepared the

Restated Financial Information in accordance with the basis of preparation stated in Note 2 to Annexure 22 of the Restated Financial Information. The Bank's management are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Bank's Management is also responsible for identifying the applicable requirements and ensuring that the Bank complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

Auditor's Responsibility

3. We have examined the Restated Financial Information taking into consideration:

   a. the terms of reference and our engagement agreed with you vide engagement letter dated October 16, 2023, requesting us to carry out work on such Restated Financial Information, proposed to be included in the RHP and Prospectus of the Bank in connection with the Bank's proposed Offer;

   b. the Guidance Note that requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;

   c. the concepts of test check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

   d. the requirements of Section 26 of the Act and the SEBI ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the proposed Offer.

Restated Financial Information as per the audited financial statements

4. The Restated Financial Information have been compiled by the Bank's management from the Bank's Audited Financial Statements as at and for the half year ended September 30, 2023 and September 30, 2022 and for the year ended March 31, 2023 and March 31, 2022, prepared in accordance with accounting standards notified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, as applicable to the Bank (the "Indian GAAP") and the Bank’s Audited Financial Statements as at and for the year ended March 31, 2021, prepared in accordance with accounting standards notified under Section 133 of the Act read with the Companies (Accounts) Rules 2014, as amended, applicable to the Bank (the "Indian GAAP"), the Banking Regulation Act, 1949 and directions issued by the Reserve Bank of India from time to time and have been approved by the Board of Directors at their meeting held on January 20, 2024.

5. For the purpose of our examination, we have relied on:

   a. Auditors’ report issued by us dated October 19, 2023 on the financial statements of the Bank as at and for the period ended September 30, 2023, as referred in Paragraph 4 above.

   b. Auditors’ report issued by us dated November 10, 2022 on the financial statements of the Bank as at and for the year ended September 30, 2022, as referred in Paragraph 4 above.

c. Auditors' report issued by us dated April 29, 2023 on the financial statements of the Bank as at and for the year ended March 31, 2023, as referred in Paragraph 4 above.

d. Auditors' report issued by us dated May 17, 2022 on the financial statements of the Bank as at and for the year ended March 31, 2022, as referred in Paragraph 4 above.

e. Auditors' reports issued by MSKC & Associates ("Previous Auditor"), dated May 13, 2021 on the audited financial statements of the Bank as at and for the year ended March 31, 2021, as referred in Paragraph 4 above. The auditors' report issued by the Previous Auditor on the financial statements of the Bank as at and for the year ended March 31, 2021 includes the following emphasis of matter paragraph:

   We draw attention to Schedule 18(7.4) to the audited financial statements, which states that there are changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, which has led to significant volatility in global and Indian financial markets. The extent to which the CoVID-19 Pandemic will continue to impact the Bank's operations and financial results will depend on future developments, which are highly uncertain.

   Our opinion is not modified in respect of this matter.

The audited financial statement as at and for the year ended March 31, 2021 and the Previous Auditors' report thereon have been furnished to us by the Bank. At the Bank's request, we have examined and reported on the restated financial information as at and for the year ended March 31, 2021. The adjustments in the Restated Financial Information with respect to the audited financial statements as at and for the year ended March 31, 2021 in so far as they relate to the amounts, disclosures, material errors, regrouping, reclassification, etc., are restricted to and based solely on such audited financial statements and the Previous Auditors' report thereon. We have not performed any additional procedures other than those stated herein and do not accept any responsibility of whatsoever nature in this regard.

6. Based on the above and according to the information and explanations given to us, we report that:

   a. The Restated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regrouping/reclassifications as more fully described in Annexure 4 to the Restated Financial Information (Restated Statement of Adjustments to Financial Statements) retrospectively as at and for the half year ended September 30, 2023, September 30, 2022 and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the half year ended September 30 , 2023;

   b. there are no qualifications in the Previous Auditor's report on the audited financial statements as at and for the year ended March 31, 2021 as referred to in Paragraph 5 that require any adjustments to the Restated Financial Information;

   c. there are no qualifications in our audit reports on the audited financial statements as at and for the half year ended September 30, 2023, September 30, 2022 and for the year ended March 31, 2023 and March 31, 2022 that require any adjustments to the Restated Financial Information; and

   d. the Restated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

7. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.

8. According to the information and explanations given to us, in our opinion, the Restated Financial Information, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure 4 and have been prepared in accordance with the Act, SEBI ICDR Regulations, to the extent applicable, and the Guidance Note.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by the Previous Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of this report.

11. Our report is intended solely for use of the Board of Directors and for inclusion in the RHP and Prospectus to be filed with the SEBI, BSE , NSE and ROC in connection with the proposed Offer. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept any liability or any duty of care towards any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Brahmayya & Co.,
Chartered Accountants
(Firm's Registration No. 000515S)

G. Srinivas
Partner
Membership No. 086761
ICAI UDIN: 24086761BKCIWV5303

Place: Bengaluru
Date: January 20, 2024

For M M Nissim & Co LLP
Chartered Accountants
(Firm's Registration No. 107122W / W100672)

Navin Kumar Jain
Partner
Membership No. 090847
ICAI UDIN: 24090847BKFEFZ4096

Place: New Delhi
Date: January 20, 2024

JANA SMALL FINANCE BANK LIMITED

Annexure - 1 : Restated Summary Statement of Assets and Liabilities

(₹ in Million)

	Annexure	As at 30.09.2023	As at 30.09.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
CAPITAL AND LIABILITIES						
Capital	6	3,435.26	3,249.79	3,249.79	2,014.12	2,007.27
Reserves and surplus	7	22,254.39	12,699.79	14,722.77	9,992.88	9,140.86
Deposits	8	189,367.24	141,677.52	163,340.16	135,364.92	123,162.58
Borrowings	9	53,135.43	59,992.36	62,774.60	45,098.32	48,153.19
Other liabilities and provisions	10	12,866.42	9,208.76	12,349.59	9,416.84	8,322.71
TOTAL		**281,058.74**	**226,828.22**	**256,436.91**	**201,887.08**	**190,786.61**
ASSETS						
Cash and balances with Reserve Bank of India	11	9,768.28	8,112.74	10,109.39	15,300.19	21,252.87
Balances with banks and money at call and short notice	12	352.93	2,835.48	10,763.69	70.73	1,344.84
Investments	13	55,091.94	63,995.42	52,212.25	50,652.61	46,977.85
Advances	14	210,087.10	146,426.49	177,595.55	130,066.74	115,996.73
Fixed assets	15	1,330.39	1,457.23	1,277.50	1,716.47	2,120.58
Other assets	16	4,428.10	4,000.86	4,478.53	4,080.34	3,093.74
TOTAL		**281,058.74**	**226,828.22**	**256,436.91**	**201,887.08**	**190,786.61**
Contingent liabilities	17	1,036.58	407.83	771.75	417.43	474.59
Bills for collection		-	-	-	-	-

Significant accounting policies and notes to the restated financial statements 22 & 23

The Annexures referred to above form an integral part of the Restated Financial Statements

As per our report of even date

For Brahmayya & Co.,
Chartered Accountants
ICAI Firm Registration No.000515S

G. Srinivas
Partner
Membership Number: 086761
Bengaluru, January 20, 2024

For M M Nissim & Co LLP
Chartered Accountants
ICAI Firm Registration No: 107122W/W100672

Navin Kumar Jain
Partner
Membership No: 090847
New Delhi, January 20, 2024

For and on behalf of the Board of Directors of Jana Small Finance Bank Ltd
(CIN: U65923KA2006PLC040028)

Krishnan Subramania Raman
Executive Director
DIN: 10380292

Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Ramesh Ramanathan
Director
DIN: 00163276

Abhilash Sandur
Chief Financial Officer

Lakshmi R N
Company Secretary
Membership Number: ACS 14234

Bengaluru, January 20, 2024

JANA SMALL FINANCE BANK LIMITED

Annexure - 2 : Restated Summary Statement of Profit and Loss

(₹ in Million)

PARTICULARS	Annexure	Half Year ended 30.09.2023	Half Year ended 30.09.2022	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
I. INCOME						
Interest earned	18	18,639.41	13,962.26	30,750.10	27,265.35	24,977.28
Other income	19	3,516.27	2,933.91	6,248.65	3,358.30	2,230.13
TOTAL		**22,155.68**	**16,896.17**	**36,998.75**	**30,623.65**	**27,207.41**
II. EXPENDITURE						
Interest expended	20	8,763.07	6,443.64	14,149.90	13,367.52	12,345.79
Operating expenses	21	7,831.59	6,105.99	12,845.11	11,388.21	10,473.10
Provisions and contingencies		3,428.84	3,790.20	7,444.03	5,693.21	3,665.92
TOTAL		**20,023.50**	**16,339.83**	**34,439.04**	**30,448.94**	**26,484.81**
III. PROFIT/(LOSS)						
Net profit for the period/year		2,132.18	556.34	2,559.71	174.71	722.60
Balance in Profit/(loss) brought forward		(39,078.74)	(40,830.29)	(40,830.29)	(40,952.23)	(41,266.66)
TOTAL		**(36,946.56)**	**(40,273.95)**	**(38,270.58)**	**(40,777.52)**	**(40,544.06)**
IV. APPROPRIATIONS						
Transfer to Statutory Reserve		-	-	639.93	13.51	210.76
Transfer to Capital Reserve		-	-	9.37	30.54	31.44
Transfer to Investment Reserve Account		-	-	0.09	2.94	-
Transfer to Investment Fluctuation Reserve		200.00	-	158.77	5.79	165.97
Balance carried over to Balance Sheet		(37,146.56)	(40,273.95)	(39,078.74)	(40,830.29)	(40,952.23)
V. EARNINGS PER EQUITY SHARE						
(Face value of per share ₹ 10 per share)						
Basic (₹)		33.26	10.52	47.47	3.44	14.25
Diluted (₹)		29.45	9.76	42.64	3.21	13.46
Significant accounting policies and notes to the restated financial statements	**22 & 23**					

The Annexures referred to above form an integral part of the Restated Financial Statements

As per our report of even date

For Brahmayya & Co.,
Chartered Accountants
ICAI Firm Registration No.000515S

G. Srinivas
Partner
Membership Number: 086761
Bengaluru, January 20, 2024

For M M Nissim & Co LLP
Chartered Accountants
ICAI Firm Registration No: 107122W/W100672

Navin Kumar Jain
Partner
Membership No: 090847
New Delhi, January 20, 2024

For and on behalf of the Board of Directors of Jana Small Finance Bank Ltd
(CIN: U65923KA2006PLC040028)

Krishnan Subramania Raman
Executive Director
DIN: 10380292

Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Ramesh Ramanathan
Director
DIN: 00163276

Abhilash Sandur
Chief Financial Officer

Lakshmi R N
Company Secretary
Membership Number: ACS 14234

Bengaluru, January 20, 2024

JANA SMALL FINANCE BANK LIMITED

Annexure - 3 : Restated Summary Statement of Cash Flows

(₹ in Million)

	Particulars		Half Year ended 30.09.2023	Half Year ended 30.09.2022	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
A.	**Cash flow from operating activities**						
	Net profit before taxes		2,132.18	556.34	2,559.71	174.71	722.60
	Adjustments for:						
	Depreciation on fixed assets		337.88	357.10	686.89	808.15	826.77
	Loss on sale of fixed assets		1.50	2.15	9.75	2.07	77.34
	Employee stock option expenses		16.70	20.52	45.99	24.19	(9.76)
	Provision for non performing assets		2,368.93	1,135.29	456.88	287.04	588.85
	Bad debts written off		1,242.14	2,798.34	6,389.55	5,853.29	2,327.03
	Provision for standard assets (including standard restructured accounts)		(174.21)	(144.28)	595.27	(457.70)	782.29
	Premium amortisation on HTM investments		18.15	14.65	31.30	29.45	44.95
	Operating profit before working capital changes	**(i)**	**5,943.27**	**4,740.11**	**10,775.34**	**6,721.20**	**5,360.07**
	Movement in working capital						
	(Increase)/Decrease in investments		(4,370.43)	(12,805.28)	2,496.04	9,193.45	(8,289.70)
	(Increase)/Decrease in advances		(36,102.62)	(20,149.08)	(54,375.24)	(20,210.15)	(20,128.79)
	Increase/(Decrease) in deposits		26,027.08	6,275.54	27,975.24	12,202.34	26,643.11
	(Increase)/Decrease in other assets		120.17	114.06	(304.56)	(958.93)	(353.61)
	(Increase)/Decrease in lien marked fixed deposits		(74.77)	(176.18)	(182.48)	114.01	(135.79)
	Increase/(Decrease) in other liabilities and provisions		691.04	(171.04)	2,337.48	1,551.83	3,099.36
	Net change in working capital	**(ii)**	**(13,709.53)**	**(26,911.99)**	**(22,053.52)**	**1,892.55**	**834.58**
	Direct taxes (paid)/refund	**(iii)**	**(69.74)**	**(34.57)**	**(93.63)**	**(27.67)**	**(41.44)**
	Net cash from/(used in) operating activities (i)+(ii)+(iii)	**(A)**	**(7,836.00)**	**(22,206.45)**	**(11,371.81)**	**8,586.09**	**6,153.21**
B.	**Cash flow used in investing activities**						
	Purchase of fixed assets		(373.31)	(100.83)	(260.47)	(408.40)	(427.31)
	Proceeds from sale of fixed assets		2.81	0.82	2.80	2.29	2.72
	(Increase)/Decrease of held-to-maturity securities		1,472.59	(552.18)	(4,086.98)	(12,897.56)	(12,232.74)
	Net cash from/(used in) investing activities	**(B)**	**1,102.09**	**(652.19)**	**(4,344.65)**	**(13,303.67)**	**(12,657.33)**

JANA SMALL FINANCE BANK LIMITED
Annexure - 3 : Restated Summary Statement of Cash Flows

(₹ in Million)

	Particulars	Half Year ended 30.09.2023	Half Year ended 30.09.2022	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
C.	**Cash Flow from financing activities**					
	Proceeds from issue of equity shares	185.47	35.67	35.67	6.85	0.09
	Proceeds from issue of compulsorily convertible preference shares	-	1,200.00	1,200.00	-	-
	Securities premium received (Net of issue expenses)	5,382.74	2,130.05	2,124.19	653.12	-
	Proceeds from issue of Tier II capital bonds	-	500	-	500.00	-
	Increase / (decrease) in other borrowings	(9,639.17)	14,394.04	17,676.28	(3,555.17)	19,165.58
	Net cash from/(used in) financing activities (C)	**(4,070.96)**	**18,259.76**	**21,036.14**	**(2,395.20)**	**19,165.67**
	Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	**(10,804.86)**	**(4,598.89)**	**5,319.68**	**(7,112.78)**	**12,661.55**
	Cash and cash equivalents as at beginning of the period/year (refer note 2 & 3)	20,668.82	15,349.14	15,349.14	22,461.92	9,800.37
	Cash and cash equivalents as at end of the period/year (refer note 2 & 3)	9,863.95	10,750.25	20,668.82	15,349.14	22,461.92

Notes:

1. The above Restated Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 and Companies (Accounting Standards) Rules, 2021.
2. Cash and Cash Equivalents comprises of 'Cash & Balances with Reserve Bank of India (Annexure 11)' and 'Balances with Banks and Money at Call and Short Notice (Annexure 12)'.
3. Cash and Cash Equivalents excludes lien marked Deposits of ₹ 257.25 million, ₹ 197.97 million, ₹ 204.26 million, ₹ 21.79 million and ₹ 135.79 million respectively as on September 30, 2023, September 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

As per our report of even date

For Brahmayya & Co.,
Chartered Accountants
ICAI Firm Registration No.000515S

G. Srinivas
Partner
Membership Number: 086761
Bengaluru, January 20, 2024

For M M Nissim & Co LLP
Chartered Accountants
ICAI Firm Registration No: 107122W/W100672

Navin Kumar Jain
Partner
Membership No: 090847
New Delhi, January 20, 2024

For and on behalf of the Board of Directors of Jana Small Finance Bank Ltd
(CIN: U65923KA2006PLC040028)

Krishnan Subramania Raman
Executive Director
DIN: 10380292

Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Ramesh Ramanathan
Director
DIN: 00163276

Abhilash Sandur
Chief Financial Officer

Lakshmi R N
Company Secretary
Membership Number: ACS 14234

Bengaluru, January 20, 2024

JANA SMALL FINANCE BANK LIMITED

Annexure - 4: Restated Statement of Adjustments to Audited Financial Statements

Notes

1 **Adjustments for Audit Qualifications** Nil

2 **Changes in Accounting Policy**

The Recognition of charges and penal charges on advances which was recognised on accrual basis upto March 31, 2021, has undergone a change and is recognised on receipt basis from April 01, 2021 onwards. As a result of above change in the accounting policy, restated other income, total income and profit for the year ended March 31, 2021 is lower to the extent ₹ 120.67 million and with corresponding higher impact in other income, total income and profit for the year ended March 31, 2022.

Other Income for the year ended March 31, 2021 ***(₹ in Million)***

Particulars	**Amount**
Other income, as per audited Profit and Loss Account for the year ended March 31, 2021	2,350.80
Reversal of Charges receivable from loan customers	(120.67)
Adjustment on account of Taxation	-
Other Income as per Restated Summary Statement of Profit and Loss Account for the year ended March 31, 2021	**2,230.13**

Other Income for the year ended March 31, 2022 ***(₹ in Million)***

Particulars	**Amount**
Other income, as per audited Profit and Loss Account for the year ended March 31, 2022	3,237.63
Adjustment on account of charges reversed the year ended March 31, 2021 in the restated financial statements	120.67
Adjustment on account of Taxation	-
Other Income as per Restated Summary Statement of Profit and Loss Account for the year ended March 31, 2022	**3,358.30**

JANA SMALL FINANCE BANK LIMITED
Annexure - 5: Regrouping and Reclassifications

Appropriate adjustments have been made in the restated summary statement of assets and liabilities, restated summary statement of profit and loss and restated summary statement of cash flow in accordance with the requirements of the Securities and Exchange Boards of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended), by a reclassification of the corresponding items of income, expense, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Bank as at and for the half year ended September 30, 2023.

Regrouping for the half year ended September 30, 2022 *(₹ in Million)*

Particulars	As per Audited Financial statements	Increase/(decrease) due to regrouping	Balance after regrouping
ANNEXURE 8 - DEPOSITS			
A. I. Demand deposits			
ii. From others	141,830.99	(153.47)	141,677.52
Reclassification of Balances in internal current accounts to other liabilities		(153.47)	
-			
ANNEXURE 10 - OTHER LIABILITIES AND PROVISIONS			
V. Others (Including Provisions)	9,055.29	153.47	9,208.76
Reclassification of Balances in internal current accounts to other liabilities		153.47	

Regrouping for the year ended March 31, 2022 *(₹ in Million)*

Particulars	As per Audited Financial statements	Increase/(decrease) due to regrouping	Balance after regrouping
ANNEXURE 8 - DEPOSITS			
A. I. Demand deposits			
ii. From others	135,401.97	(37.05)	135,364.92
Reclassification of Balances in internal current accounts to other liabilities		(37.05)	
-			
ANNEXURE 10 - OTHER LIABILITIES AND PROVISIONS			
V. Others (Including Provisions)	9,379.80	37.05	9,416.84
Reclassification of Balances in internal current accounts to other liabilities		37.05	

Regrouping for the year ended March 31, 2021 *(₹ in Million)*

Particulars	As per Audited Financial statements	Increase/(decrease) due to regrouping	Balance after regrouping
ANNEXURE 8 - DEPOSITS			
A. I. Demand deposits			
ii. From others	123,859.27	(696.69)	123,162.58
Reclassification of Balances in internal current accounts to other liabilities		(694.92)	
Reclassification of debit balance in CASA accounts from advances		(1.77)	
ANNEXURE 10 - OTHER LIABILITIES AND PROVISIONS			
V. Others (Including Provisions)	7,627.78	694.92	8,322.71
Reclassification of Balances in internal current accounts to other liabilities		694.92	
ANNEXURE 11 - CASH AND BALANCES WITH RESERVE BANK OF INDIA			
II. Balances with Reserve Bank of India	4,622.87	16,630.00	21,252.87
b. In Other accounts		16,630.00	
ANNEXURE 12 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE			
ii) Money at call and short notice	**17,974.84**	**(16,630.00)**	**1,344.84**
c) Lending under reverse repo (Reserve Bank of India)		**(16,630.00)**	
ANNEXURE 14 - ADVANCES (Net of Provisions)	**116,119.17**	**(122.44)**	**115,996.73**
Reversal of Charges receivable from loan customers		(120.67)	
Reclassification of debit balance in CASA accounts from advances		(1.77)	

JANA SMALL FINANCE BANK LIMITED

ANNEXURE FORMING PART OF THE RESTATED BALANCE SHEET

(₹ in Million)

PARTICULARS	As at 30.09.2023	As at 30.09.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
ANNEXURE 6 - CAPITAL					
Authorised Capital					
Equity					
135,000,000 (September 30, 2022: 100,000,000, March 31, 2023: 100,000,000, March 31, 2022: 100,000,000, March 31, 2021: 100,000,000) Equity Shares of ₹ 10 each	1,350.00	1,000.00	1,000.00	1,000.00	1,000.00
Preference					
450,000,000 (September 30, 2022: 450,000,000, March 31, 2023: 450,000,000, March 31, 2022: 250,000,000, March 31, 2021: 250,000,000) Preference Shares of ₹ 10 each	4,500.00	4,500.00	4,500.00	2,500.00	2,500.00
Issued, Subscribed, Called up and Paid-Up Capital					
Equity					
73,525,948 (September 30, 2022: 54,978,703, March 31, 2023 : 54,978,703, March 31, 2022: 51,411,564, March 31, 2021: 50,727,257) Equity Shares of ₹ 10 each fully paid up	735.26	549.79	549.79	514.12	507.27
Preference					
270,000,000 (September 30, 2022: 270,000,000, March 31, 2023: 270,000,000, March 31, 2022: 150,000,000, March 31, 2021: 150,000,000) 16% Non-Cumulative Compulsorily Convertible Preference Shares of ₹ 10 each fully paid up	2,700.00	2,700.00	2,700.00	1,500.00	1,500.00
TOTAL	**3,435.26**	**3,249.79**	**3,249.79**	**2,014.12**	**2,007.27**
ANNEXURE 7 - RESERVES AND SURPLUS					
I. STATUTORY RESERVE					
Opening balance	1,890.96	1,251.03	1,251.03	1,237.52	1,026.76
Add: Additions during the period/year	-	-	639.93	13.51	210.76
Less: Deductions during the period/year	-	-	-	-	-
TOTAL	**1,890.96**	**1,251.03**	**1,890.96**	**1,251.03**	**1,237.52**
II. CAPITAL RESERVE					
Opening balance	209.44	200.07	200.07	169.53	138.09
Add: Additions during the period/year	-	-	9.37	30.54	31.44
Less: Deductions during the period/year	-	-	-	-	-
TOTAL	**209.44**	**200.07**	**209.44**	**200.07**	**169.53**
III. SHARE PREMIUM					
Opening balance	50,975.22	48,845.49	48,845.49	48,189.12	48,177.24
Add: Additions during the period/year	5,433.97	2,137.58	2,137.58	656.37	11.88
Less: Deductions during the period/year	(51.23)	(2.00)	(7.85)	-	-
TOTAL	**56,357.96**	**50,981.07**	**50,975.22**	**48,845.49**	**48,189.12**
IV. GENERAL RESERVE					
Opening balance	144.10	144.10	144.10	144.10	144.10
Add: Additions during the period/year	-	-	-	-	-
Less: Deductions during the period/year	-	-	-	-	-
TOTAL	**144.10**	**144.10**	**144.10**	**144.10**	**144.10**
V. INVESTMENT RESERVE					
Opening balance	3.03	2.94	2.94	-	-
Add: Additions during the period/year	-	0.00	0.09	2.94	-
Less: Deductions during the period/year	-	-	-	-	-
TOTAL	**3.03**	**2.94**	**3.03**	**2.94**	**-**
VI. INVESTMENT FLUCTUATION RESERVE					
Opening balance	376.89	218.12	218.12	212.33	46.36
Add: Additions during the period/year	200.00	-	158.77	5.79	165.97
Less: Deductions during the period/year	-	-	-	-	-
TOTAL	**576.89**	**218.12**	**376.89**	**218.12**	**212.33**

JANA SMALL FINANCE BANK LIMITED

ANNEXURE FORMING PART OF THE RESTATED BALANCE SHEET

(₹ in Million)

PARTICULARS	As at 30.09.2023	As at 30.09.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
VII. EMPLOYEE STOCK OPTIONS RESERVE					
Opening balance	201.87	161.42	161.42	140.48	162.07
Add: Employee Stock Option expense during the period/year	16.70	20.52	45.99	24.19	(9.72)
Less: Transfer to Share Capital / Securities Premium on exercise of stock options	-	(5.53)	(5.54)	(3.25)	(11.77)
TOTAL	**218.57**	**176.41**	**201.87**	**161.42**	**140.48**
VIII. BALANCE IN PROFIT & LOSS ACCOUNT	**(37,146.56)**	**(40,273.95)**	**(39,078.74)**	**(40,830.29)**	**(40,952.23)**
TOTAL (I to VIII)	**22,254.39**	**12,699.79**	**14,722.77**	**9,992.88**	**9,140.86**
ANNEXURE 8 - DEPOSITS					
A. I. Demand deposits					
i. From banks	1,078.29	730.80	729.31	692.27	539.93
ii. From others	8,047.60	4,709.31	6,394.57	6,969.24	5,247.90
II. Savings bank deposits	29,670.13	26,832.59	25,885.69	22,829.22	14,276.30
III. Term deposits					
i. From banks	42,250.18	27,517.61	36,357.09	25,337.75	20,086.99
ii. From others	108,321.04	81,887.21	93,973.50	79,536.44	83,011.46
TOTAL (I to III)	**189,367.24**	**141,677.52**	**163,340.16**	**135,364.92**	**123,162.58**
B. i. Deposits of branches in India	**189,367.24**	**141,677.52**	**163,340.16**	**135,364.92**	**123,162.58**
ii. Deposits of branches outside India	-	-	-	-	-
TOTAL (I to II)	**189,367.24**	**141,677.52**	**163,340.16**	**135,364.92**	**123,162.58**
ANNEXURE 9 - BORROWINGS					
I. Borrowings in India					
a. Reserve Bank of India	8,010.00	8,000.00	8,000.00	8,000.00	-
b. Other banks*	2,260.00	5,125.50	3,080.00	3,144.50	5,744.50
c. Other institutions and agencies^	42,865.43	46,866.86	51,694.60	33,953.82	42,134.53
II. Borrowings outside India	-	-	-	-	274.16
TOTAL (I and II)	**53,135.43**	**59,992.36**	**62,774.60**	**45,098.32**	**48,153.19**
Secured Borrowings included in (I)(c) above is Nil (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: ₹ 130.00 million, March 31, 2021: ₹ 739.16 million) *Includes subordinated debt (Tier II capital) ₹ 2,250.00 million (September 30, 2022: ₹ 3030.00 million, March 31, 2023: ₹ 3,030.00 million, March 31, 2022: ₹ 3,030.00 million, March 31, 2021: ₹ 3,430.00 million) ^ Includes subordinated debt (Tier II capital) ₹ 1,250.00 million (September 30, 2022: ₹ 1,270.00 million, March 31, 2023: ₹ 1,270.00 million, March 31, 2022: ₹ 1,530.00 million, March 31, 2021: ₹ 3,580.00 million)					

JANA SMALL FINANCE BANK LIMITED

ANNEXURE FORMING PART OF THE RESTATED BALANCE SHEET

(₹ in Million)

PARTICULARS	As at 30.09.2023	As at 30.09.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
ANNEXURE 10 - OTHER LIABILITIES AND PROVISIONS					
I. Bills payable	4,004.57	3,167.93	4,959.03	4,259.46	2,142.37
II. Inter office adjustments (net)	-	-	-	-	-
III. Interest accrued	3,767.94	2,658.05	3,086.49	2,355.75	2,379.58
IV. Others (including provisions)	3,911.51	2,765.73	2,947.46	2,040.34	2,582.87
V. Standard Asset- General Provision	1,182.40	617.05	1,356.61	761.29	1,217.89
TOTAL (I to V)	**12,866.42**	**9,208.76**	**12,349.59**	**9,416.84**	**8,322.71**
ANNEXURE 11 - CASH AND BALANCES WITH RESERVE BANK OF INDIA					
I. Cash in hand	555.38	586.06	499.00	778.17	616.26
II. Balances with Reserve Bank of India					
a. In Current account	6,602.90	7,526.68	5,710.39	5,222.02	4,006.61
b. In Other accounts	2,610.00	-	3,900.00	9,300.00	16,630.00
TOTAL (I to II)	**9,768.28**	**8,112.74**	**10,109.39**	**15,300.19**	**21,252.87**
ANNEXURE 12 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE					
I. In India					
i) Balances with banks					
a) In Current accounts	95.68	110.24	41.36	48.94	147.19
b) In Other deposit accounts*	257.25	2,725.24	1,727.55	21.79	1,197.65
ii) Money at call and short notice					
a) With banks	-	-	-	-	-
b) With other institutions	-	-	8,994.78	-	-
c) Lending under reverse repo (Reserve Bank of India)	-	-	-	-	-
TOTAL (i to ii)	**352.93**	**2,835.48**	**10,763.69**	**70.73**	**1,344.84**
II. Outside India					
i) In Current accounts	-	-	-	-	-
ii) In Other deposit accounts	-	-	-	-	-
iii) Money at call and short notice	-	-	-	-	-
TOTAL (i to iii)	**-**	**-**	**-**	**-**	**-**
GRAND TOTAL (I to II)	**352.93**	**2,835.48**	**10,763.69**	**70.73**	**1,344.84**

* Notes: as of September 30, 2023, Includes deposit with Banks of ₹ 257.25 million lien marked towards guarantee issued by other banks on behalf of the Bank (September 30, 2022: ₹ 197.97 million, March 31, 2023: ₹ 204.26 million, March 31, 2022: ₹ 21.79 million, March 31, 2021: ₹ 141.05 million).

JANA SMALL FINANCE BANK LIMITED

ANNEXURE FORMING PART OF THE RESTATED BALANCE SHEET

(₹ in Million)

PARTICULARS	As at 30.09.2023	As at 30.09.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
ANNEXURE 13 - INVESTMENTS					
I. Investments in India (net of provisions)					
i) Government securities	50,014.98	62,363.09	49,277.44	49,727.38	46,977.85
ii) Other approved securities	-	-	-	-	-
iii) Shares	-	-	-	-	-
iv) Debentures and bonds	-	-	-	-	-
v) Subsidiaries and/or joint ventures	-	-	-	-	-
vi) Others (Security Receipts, Pass Through Certificates)	5,076.96	1,632.33	2,934.81	925.23	-
TOTAL	**55,091.94**	**63,995.42**	**52,212.25**	**50,652.61**	**46,977.85**
II. Investments Outside India	**-**	**-**	**-**	**-**	**-**
TOTAL	-	-	-	-	-
GRAND TOTAL (I to II)	**55,091.94**	**63,995.42**	**52,212.25**	**50,652.61**	**46,977.85**
III. Investments					
i) Gross value of investments					
a) In India	55,091.94	63,995.42	52,212.25	50,652.73	46,981.89
b) Outside India	-	-	-	-	-
Total	**55,091.94**	**63,995.42**	**52,212.25**	**50,652.73**	**46,981.89**
ii) Depreciation/provision for investments					
a) In India	-	-	-	0.12	4.04
b) Outside India					
Total	**-**	**-**	**-**	**0.12**	**4.04**
iii) Net value of investments					
a) In India	55,091.94	63,995.42	52,212.25	50,652.61	46,977.85
b) Outside India	-	-	-	-	-
Total	**55,091.94**	**63,995.42**	**52,212.25**	**50,652.61**	**46,977.85**
ANNEXURE 14 - ADVANCES (Net of Provisions)					
A. i) Bills purchased and discounted	1,161.17	423.09	65.93	1,379.68	46.00
ii) Cash credits, overdrafts and loans repayable on demand	9,120.58	6,868.27	7,311.87	7,147.78	8,899.20
iii) Term loans	199,805.35	139,135.13	170,217.75	121,539.28	107,051.53
TOTAL	**210,087.10**	**146,426.49**	**177,595.55**	**130,066.74**	**115,996.73**
B. i) Secured by tangible assets *****	116,067.91	77,550.32	94,453.47	68,053.64	47,915.43
ii) Covered by bank/government guarantees	2,359.25	4,875.58	3,600.95	2,586.38	1,121.64
iii) Unsecured	91,659.94	64,000.59	79,541.13	59,426.72	66,959.66
TOTAL	**210,087.10**	**146,426.49**	**177,595.55**	**130,066.74**	**115,996.73**
*** Including Advance against book debt**					

JANA SMALL FINANCE BANK LIMITED

ANNEXURE FORMING PART OF THE RESTATED BALANCE SHEET

(₹ in Million)

PARTICULARS	As at 30.09.2023	As at 30.09.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
C. I ADVANCES IN INDIA					
i) Priority sector*	166,515.43	115,246.90	142,288.72	96,435.29	81,179.08
ii) Public sector	-	-	-	-	-
iii) Banks	-	-	-	186.39	-
iv) Others	43,571.67	31,179.60	35,306.83	33,445.06	34,817.65
* Priority sectors includes ₹ 43,000.00 million (September 30, 2022: ₹ 35,750.00 million, March 31, 2023: ₹ 35,750.00 million, March 31, 2022: ₹ 10,100.00 million, March 31, 2021: ₹ Nil), in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC).					
C. **II** ADVANCES OUTSIDE INDIA	-	-	-	-	-
TOTAL	**210,087.10**	**146,426.49**	**177,595.55**	**130,066.74**	**115,996.73**
ANNEXURE 15 - FIXED ASSETS					
I. Premises	**-**	**-**	**-**	**-**	**-**
i) Cost as at the end of the preceding period/year	-	-	-	-	-
ii) Additions during the period/year	-	-	-	-	-
	-	-	-	-	-
iii) Deductions during the period/year	-	-	-	-	-
iv) Depreciation to date	-	-	-	-	-
v) Capital Work in Progress					
TOTAL	**-**	**-**	**-**	**-**	**-**
II. Other fixed assets (including furniture and fixtures)					
i) Cost as at the end of the preceding period/year	6,338.56	6,686.19	6,686.19	6,440.28	6,173.86
ii) Additions during the period/year	451.15	236.20	405.30	459.85	371.21
	6,789.71	**6,922.39**	**7,091.49**	**6,900.12**	**6,545.07**
iii) Deductions during the period/year	(133.84)	(190.49)	(752.93)	(213.93)	(104.79)
iv) Depreciation to date	(5,329.23)	(5,331.37)	(5,112.51)	(4,981.49)	(4,332.20)
v) Capital Work in Progress	3.75	56.70	51.45	11.77	12.50
TOTAL*	**1,330.39**	**1,457.23**	**1,277.50**	**1,716.47**	**2,120.58**
* Note: Includes leased assets of Nil (September 30, 2022: ₹ 109.63 million, March 31, 2023 Nil, March 31, 2022: ₹ 132.17 million, March 31, 2021: ₹ 184.54 million)					
GRAND TOTAL (I and II)	**1,330.39**	**1,457.23**	**1,277.50**	**1,716.47**	**2,120.58**
ANNEXURE 16 - OTHER ASSETS					
I. Inter-office adjustments (net)	-	-	-	-	-
II. Interest accrued	2,093.01	1,873.98	2,263.04	1,960.81	1,019.55
III. Tax paid in advance / tax deducted at source (net of provisions)	773.91	645.11	704.17	610.54	582.67
IV. Stationery and stamps	-	-	-	-	-
V. Non-banking assets acquired in satisfaction of claims	-	-	-	-	-
VI. Others*	1,561.18	1,481.77	1,511.32	1,508.99	1,491.52
* Note: Includes deposit with RIDF and other funds of ₹ 17.34 million (September 30, 2022: ₹ 15.76 million, March 31, 2023: ₹ 17.46 million, March 31, 2022: ₹ 13.84 million, March 31, 2021: ₹ 19.57 million)					
TOTAL	**4,428.10**	**4,000.86**	**4,478.53**	**4,080.34**	**3,093.74**
ANNEXURE 17 - CONTINGENT LIABILITIES					
I. Claims against the Bank not acknowledged as debts	559.72	307.46	559.66	304.69	359.09
II. Liability for partly paid investments	-	-	-	-	
III. Liability on account of outstanding forward exchange contracts	-	-	-	-	
IV. Liability on account of outstanding derivative contracts	-	-	-	-	-
V. Guarantees given on behalf of constituents					
a) In India	327.83	26.50	26.50	25.00	25.00
b) Outside India	-	-	-	-	-
VI. Acceptances , endorsements and other obligations	-	-	-	-	-
VII. Other items for which the Bank is contingently liable	149.03	73.87	185.59	87.74	90.50
TOTAL	**1,036.58**	**407.83**	**771.75**	**417.43**	**474.59**

JANA SMALL FINANCE BANK LIMITED

ANNEXURE FORMING PART OF THE RESTATED PROFIT AND LOSS ACCOUNT

(₹ in Million)

PARTICULARS	Half Year ended 30.09.2023	Half Year ended 30.09.2022	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
ANNEXURE 18 - INTEREST EARNED					
I. Interest/discount on advances/bills*	16,699.36	12,347.72	27,216.07	24,120.34	23,014.66
II. Income on investments	1,663.55	1,478.95	3,252.08	2,559.53	1,719.19
III. Interest on balances with Reserve Bank of India and other inter-bank funds	276.28	135.42	281.58	585.09	243.28
IV. Others	0.22	0.17	0.37	0.39	0.15
* Note: Includes interest recoveries from technically written off accounts					
TOTAL	**18,639.41**	**13,962.26**	**30,750.10**	**27,265.35**	**24,977.28**
ANNEXURE 19 - OTHER INCOME					
I. Commission, exchange and brokerage	2,239.40	1,350.42	3,084.03	2,534.38	1,489.88
II. Profit / (loss) on sale of investments (net)	58.98	22.70	29.60	46.52	207.88
III. Profit / (loss) on revaluation of investments (net)	-	-	-	-	-
IV. Profit / (loss) on sale of land, buildings and other assets(net)	(1.50)	(2.15)	(9.75)	(2.07)	(77.28)
V. Profit on exchange / derivative transactions (net)	-	-	-	-	-
VI. Income earned by way of dividends from subsidiaries/joint ventures abroad/in India	-	-	-	-	-
VII. Miscellaneous income# (Refer Annexure 23 22(f)(i))	1,219.39	1,562.94	3,144.77	779.47	609.65
# Note: Includes Profit on sale of assets to ARCs ₹ 531.80 million (September 30, 2022: ₹ 834.96 million, March 31, 2023: ₹ 1,865.92 million, March 31, 2022: Nil, March 31, 2021: Nil), PSLC income ₹ 418.65 million (September 30, 2022: ₹ 495.18 million, March 31, 2023: ₹ 495.18 million, March 31, 2022: ₹ 127.11 million, March 31, 2021: Nil), recoveries from written off accounts ₹ 267.15 million (September 30, 2022: ₹ 192.25 million, March 31, 2023: ₹ 706.47 million, March 31, 2022: ₹ 574.24 million, March 31, 2021: ₹ 528.24 million) and lease income ₹ Nil (September 30, 2022: ₹ 36.23 million, March 31, 2023: ₹ 60.39 million, March 31, 2022: ₹ 72.47 million, March 31, 2021: ₹ 72.47 million)					
TOTAL	**3,516.27**	**2,933.91**	**6,248.65**	**3,358.30**	**2,230.13**
ANNEXURE 20 - INTEREST EXPENDED					
I. Interest on deposits	6,512.84	4,486.25	10,024.05	9,304.24	8,703.10
II. Interest on Reserve Bank of India/inter-bank borrowings	185.90	171.79	348.55	3,007.75	2,066.09
III. Other Interest (including interest on debentures and other borrowings)	2,064.33	1,785.60	3,777.30	1,055.53	1,576.60
TOTAL	**8,763.07**	**6,443.64**	**14,149.90**	**13,367.52**	**12,345.79**
ANNEXURE 21 - OPERATING EXPENSES					
I. Payments to and provisions for employees (refer note in Annexure 23 (4 and 15)	4,710.86	3,655.90	7,775.78	6,989.89	6,184.59
II. Rent, taxes and lighting (refer note in Annexure 23.18.22(q))	559.49	470.98	977.06	915.63	1,010.97
III. Printing and stationery	64.25	45.40	95.18	89.67	62.64
IV. Advertisement and publicity	199.99	107.11	211.58	105.90	168.44
V. Depreciation on bank's property (including leased assets)	337.88	357.10	686.89	808.15	826.77
VI. Directors' Fees, allowances and expenses	5.44	3.95	6.38	5.51	5.48
VII. Auditors' fees and expenses	6.38	6.34	12.42	10.03	10.82
VIII. Law charges	76.94	47.19	103.05	75.88	40.95
IX. Postage, telegram, telephone, etc.	95.78	93.84	175.95	163.30	204.44
X. Repairs and maintenance	164.97	145.61	282.19	270.87	301.40
XI. Insurance	96.48	86.36	174.24	164.91	126.80
XII. Other expenditure	1,513.13	1,086.21	2,344.39	1,788.47	1,529.80
(a) Travel and conveyance	*294.08*	*215.07*	*478.29*	*350.39*	*253.27*
(b) Professional fees (includes cost of outsourced technology support services)	*999.48*	*698.77*	*1,479.65*	*1,055.12*	*980.42*
(c) Others	*219.57*	*172.37*	*386.45*	*382.96*	*296.11*
TOTAL	**7,831.59**	**6,105.99**	**12,845.11**	**11,388.21**	**10,473.10**

ANNEXURE - 22
Significant Accounting Policies appended to and forming part of the restated summary statements

1. CORPORATE INFORMATION:
Jana Small Finance Bank Limited (the "Bank"), headquartered in Bangalore, is engaged in providing a wide range of banking and financial services. Originally incorporated (foremly Janalakshmi Financial Services Limited) on July 24, 2006, and registered as a Non-Banking Financial Company (NBFC) with the Reserve Bank of India on March 4, 2008. The Bank was classified as a NBFC-MFI effective from September 5, 2013. The Bank became a public limited company under the provisions of Companies Act, 2013, with effect from August 10, 2015.

Pursuant to the resolution passed by the shareholders at the Extraordinary General Meeting (EGM) held on January 12, 2018 and the issue of Small Finance Bank license by Reserve Bank of India (RBI) on April 28, 2017 under section 22(1) of the Banking Regulation Act, 1949 "Janalakshmi Financial Services Limited" converted itself into a Small Finance Bank with effect from March 28, 2018. Accordingly, it's name was changed to Jana Small Finance Bank Limited.

The Bank has received scheduled bank status with effect from 16 July, 2019 vide publication in the Gazette of India (Part III - Section 4) dated July 27 – August 02, 2019. Accordingly, the Jana Small Finance Bank is included in the second schedule of the Reserve Bank of India Act, 1934.

2. BASIS OF PREPARATION:
The Bank's financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and on-going concern basis, unless otherwise stated and in conformity with Generally Accepted Accounting Principles (GAAP), which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Banking Regulation Act 1949, Accounting Standards specified under Section 133 of Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules 2021, in so far as they apply to the banks and the current practices prevalent within the banking industry in India.

Use of Estimates:
The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future periods.

3. REVENUE RECOGNITION:
i. Interest income on loans, advances and investments is recognized in the Profit and Loss Account on accrual basis except income on advances, investments and other assets classified as Non-Performing Assets (NPAs), which is recognized upon realization, as per the prudential norms prescribed by the RBI. Unrealized Interest on NPA is reversed in the Profit and Loss Account and is recognized only on receipt basis. Further, charges and penal interest on advances is recognized on receipt basis.

ii. Income on non-coupon bearing discounted instruments is recognized over the tenure of the instruments so as to provide a constant periodic rate of return.

iii. Processing fees on loan, direct assignment and securitisation is recognised upfront when it becomes due.
iv. Dividend is accounted on an accrual basis where the right to receive the dividend is established.
v. Interest incomes on deposits with banks and financial institutions is recognized on a time proportion basis taking into account the amount outstanding and the implicit rate of interest.
vi. PSLC related income and expenses is recognised as and when they become due.
vii. All other fees are accounted for as and when they become due.

ANNEXURE - 22

Significant Accounting Policies appended to and forming part of the restated summary statements

4. INVESTMENTS:

Classification:

In accordance with RBI guidelines, investments are classified into three categories, viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT). Under each of these categories, investments are further classified under six groups – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments.

The transactions in Securities are accounted on "Settlement Date" of accounting except in the case of equity shares where trade date accounting is followed.

Basis of classification:

i. Investments that the Bank intends to hold till maturity are classified under "Held to Maturity (HTM)" category.

ii. Investments that are held for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".

iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)". Further, as per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities.

iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

Transfer between categories:

Transfer of investments from one category to the other is done in accordance with RBI guidelines. Transfer of securities from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/ HFT at the amortized cost. After transfer, these securities are re-valued and resultant depreciation, if any, is provided.

Transfer of investments from AFS to HFT or vice- a- versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

Acquisition Cost:

Broken period interest if any, paid on acquisition of investments is debited to Profit and Loss Account. Broken period interest received on sale of securities is recognized as interest income.

Valuation:

Investments classified under AFS and HFT categories are marked to market individually and depreciation/appreciation is aggregated for each group and net depreciation in each group is provided and net appreciation is ignored.

Traded investments (if any) are valued based on the trades / quotes on the recognised stock exchanges or prices published by Financial Benchmarks India Pvt Ltd. (FBIL) with Fixed Income Money Market and Derivatives Association (FIMMDA) as the calculating agent.

The market value of unquoted government of India securities, state government securities etc. which are directly issued by the government of India is computed as per the prices published by FBIL with FIMMDA as the calculating agent.

Unquoted equity shares are valued at the break-up value, if the latest Balance sheet is available or at ₹ 1 for each company as per the RBI guidelines.

Units of mutual funds are valued at the latest repurchase price / net asset value declared by the mutual fund.

Treasury bills, commercial papers and certificate of deposits being discounted instruments, are valued at carrying cost.

Net depreciation in the value, if any, compared to the acquisition cost, in any of the groups, is charged to the Profit and Loss Account. The net appreciation, if any, in any of the groups is not recognised except to the extent of depreciation provided earlier.

ANNEXURE - 22
Significant Accounting Policies appended to and forming part of the restated summary statements

Investments classified under HTM category are carried at their acquisition cost and not marked to market. Any premium on acquisition is amortised over the remaining maturity period of the security on a constant yield-to-maturity basis. Such amortisation of premium is adjusted against interest income under the head "Income from investments". Any diminution, other than the temporary, in the value of investments in HTM category is provided for.

Security receipts (SR) are valued as per the net asset value provided by the issuing Asset Reconstruction Company from time to time.

Non-performing investments are identified and provision are made thereon based on the RBI guidelines. The provision on such non-performing investments are not set off against the appreciation in respect of other performing investments. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

Disposal of Investments:
Profit / Loss on sale of investments is taken to Profit and Loss Account. However in case of profit on sale of investments in “Held to Maturity” category, an equivalent amount of profit (net of applicable taxes and amount required to be transferred to statutory reserves) is appropriated to Capital Reserve in accordance with RBI guidelines. Cost of investments is based on the weighted average cost method.

Repurchase and reverse repurchase transactions:
In accordance with the RBI guidelines, repurchase (Repo) and reverse repurchase (Reverse Repo) transactions in government securities and corporate debt securities are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

5. ADVANCES CLASSIFICATION AND PROVISIONING:
Classification:
Advances are classified into performing and non-performing advances ('NPAs') as per the RBI guidelines and are stated net of specific provisions made towards NPAs. Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for NPA is made at rates as prescribed by the RBI and as per Bank's internal credit policy and same is charged to the Profit and Loss Account under Provisions and Contingencies.

Non-performing advances are written-off in accordance with Bank's policies. Amounts recovered against debts written-off are recognised in the Profit and Loss account as "Miscellaneous income" under Other Income (Annexure 19).

The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower’s financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advances/securities, which would generally include, among others, alteration of repayment period/ repayable amount/ the amount of instalments/ rate of interest (due to reasons other than competitive reasons). Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision including diminution in the fair value of a restructured account is made and classification thereof is as per the extant RBI guidelines.

The Bank maintains a general provision on standard advances at the rates prescribed by the RBI. Provision made against standard assets is included in "Other liabilities & provisions" (Annexure 10).

The Bank transfers advances through inter-bank participation. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances. In case of participation with non-risk sharing, the aggregate amount of participation is classified as borrowings.

ANNEXURE - 22

Significant Accounting Policies appended to and forming part of the restated summary statements

The Bank vide RBI circular FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April 07, 2016 trades in Priority Sector portfolio by selling or buying Priority Sector Lending Certificates (PSLCs). There is no transfer of risk on loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received for the sale of PSLCs is treated as 'Miscellaneous Income'.

Floating Provisions:

Provisions made, if any, in excess of the Bank's policy for specific loan loss provisions for non-performing assets and regulatory general provisions are categorised as floating provisions. Creation of floating provisions is considered by the Bank up to a level approved by the Board of Directors In accordance with the RBI guidelines, floating provisions are used up to a level approved by the Board only for contingencies under extraordinary circumstances and for making specific provisions for impaired accounts as per these guidelines or any regulatory guidance / instructions. Floating provisions, if any, are shown under "Other liabilities and Provisions" (Annexure 10).

6. SECURITISATION AND TRANSFER OF ASSETS:

Assets transferred through securitisation and direct assignment of cash flows are de-recognised when they are sold (true sale criteria being fully met with) and consideration is received. Sales / transfers that do not meet true sale criteria are accounted for as borrowings. For a securitisation or direct assignment transaction, the Bank recognises profit upon receipt of the funds and loss is recognised at the time of sale.

On sale of stressed assets, if the sale is at a price below the net book value (i.e., funded outstanding less specific provisions held), the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year when the sum of cash received by way of initial consideration and / or redemption or transfer of security receipts issued by SC/RC exceeds the net book value of the loan at the time of transfer.

In respect of stressed assets sold under an asset securitisation, where the investment by the bank in security receipts (SRs) backed by the assets sold by it is more than 10 percent of such SRs, provisions held are higher of the provisions required in terms of net asset value declared by the Securitisation Company ('SC') / Reconstruction Company ('RC') and provisions as per the extant norms applicable to the underlying loans, notionally treating the book value of these SRs as the corresponding stressed loans assuming the loans remained in the books of the Bank.

The Bank invests in Pass Through Certificates (PTCs) issued by other Special Purpose Vehicles (SPVs). These are accounted at acquisition cost and are classified as investments. The Bank also buys loans through the direct assignment route which are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised based on effective interest rate method.

Bank recognizes Excess Interest Spread (EIS) only on cash basis and Over Collateralization, if any, is included in the Gross Advances and it is provided for as per the provisioning norms of RBI.

Direct Assignment portfolio bought by the Bank, if any, are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the tenor of the loans.

7. FIXED ASSETS AND DEPRECIATION:

Fixed Assets are stated at cost less accumulated depreciation as adjusted for impairment, if any. Cost includes cost of purchase inclusive of freight, duties, incidental expenses and all other directly attributable expenditures towards acquisition and installation of assets before it is ready for commercial use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets. Specific grant received for acquisition of fixed assets are reduced from the cost of the asset.

Depreciation on fixed asset is charged over the estimated useful life on a straight line basis after retaining a residual value of 0.01%, except for leasehold improvements and software which are fully depreciated.

ANNEXURE - 22
Significant Accounting Policies appended to and forming part of the restated summary statements

The Bank is following the estimated useful life as stated in the Part C of Schedule II of Companies Act, 2013 which is as below:

Type of Asset	Useful Life
Computers including desktops and electronic equipment	3 Years
Servers and networks	6 Years
Furniture and fixtures	10 Years
Electrical installation	10 Years
Motor vehicles	8 Years
Office equipment	5 Years
Leasehold improvements	Remaining primary lease period as per agreement

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

The estimated useful life of the intangible assets are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Software is depreciated fully over the useful life of the software based on the license validity or five years whichever is earlier.

Fixed assets purchased during the year are depreciated on the basis of actual number of days the asset has been put to use in the year. Fixed assets disposed off during the year are depreciated up to the date of disposal.

Profit or losses arising from the retirement or disposal of a Fixed / Intangible Asset are determined as the difference between the net disposal proceeds and the carrying amount of fixed/ intangible assets and recognized as income or expense in the Profit and Loss Account. Profit on sale of premises, if any, is transferred to Capital Reserve as per the RBI guidelines.

8. IMPAIRMENT OF ASSETS (Other than loans and advances):
In accordance with AS-28- Impairment of assets, Bank assesses at each Balance Sheet date whether there is any indication of impairment of assets based on internal / external factors. Impairment loss, if any, is provided in the Profit and Loss Account to the extent of carrying amount of assets exceeds their estimated recoverable amount, which is higher of an asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account.

9. FOREIGN CURRENCY TRANSACTIONS:
(i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All exchange differences are recognized as income or as expenses in the period in which they arise.

ANNEXURE - 22

Significant Accounting Policies appended to and forming part of the restated summary statements

10. EMPLOYEE BENEFITS:

Defined contribution plan:

Retirement benefits in the form of provident fund and employee state insurance scheme are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Defined benefit plan and compensated absences:

Liability for defined benefit gratuity plan and accumulated compensated absences is determined by estimating the present value of amount of benefit that employees have earned in return for their service in the current and prior periods. The Bank accounts for its liability for unfunded compensated absences and funded gratuity based on actuarial valuation, as at the Balance Sheet date, determined annually by an independent actuary using the Projected Unit Credit Method. The Bank makes contribution to Gratuity Funds managed by life insurance companies. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period and are not deferred.

Short term employee benefits:

Short term employee benefits expected to be paid in consideration for the services rendered by the employees is recognized during the period when the employee renders service.

11. INCOME TAXES:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably / virtually certain to be realized.

12. EARNINGS PER SHARE:

Bank reports basic and diluted earnings per share in accordance with Accounting Standard - 20, Earnings Per Share. Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of exercise of employee stock options and restricted stock units, bonus issue, bonus element in a rights issue to existing shareholders and share split.

Diluted earnings per share reflects the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and the dilutive potential equity shares (stock options, restricted stock units and convertible preference shares) outstanding during the year, except where the results are anti-dilutive.

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

In accordance with AS 29 - Provisions, Contingent Liabilities and Contingent Assets, the Bank creates a provision when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balances sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resource would be required to settle the obligation, the provision is reversed.

ANNEXURE - 22
Significant Accounting Policies appended to and forming part of the restated summary statements

A disclosure for contingent liability is made when there is:

i) A possible obligation arising from the past events, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or

ii) A present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

14. ACCOUNTING FOR LEASE:
Operating Lease:
Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased term are classified as operating leases in accordance with Accounting Standard 19, Leases. Lease rentals on assets under operating lease is charged off to the Profit and Loss Account on a straight-line basis in accordance with the AS-19.

Finance Lease:
Leases under which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

Asset given on finance lease

In case of assets given under finance lease, leased assets are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return. The principal amount received reduces the net investment in the lease and interest is recognised as revenue.

15. CASH AND CASH EQUIVALENTS:
Cash and cash equivalents include cash in hand, balances with Reserve Bank of India, balances with other banks/institutions and money at call and short notice.

16. CASH FLOW STATEMENT:
Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Bank are segregated.

17. SHARE ISSUE EXPENSES:
Share issue expenses are adjusted against Share Premium Account in terms of Section 52 of the Companies Act, 2013.

ANNEXURE - 22

Significant Accounting Policies appended to and forming part of the restated summary statements

18. SEGMENT INFORMATION:

The disclosure relating to segment information is in accordance with Accounting Standard-17, Segment Reporting and as per the guidelines issued by RBI. Bank has classified its business into following for segment reporting:

(a) **Treasury** includes all investment portfolios, Profit / Loss on sale of Investments, equities, income and expense from money market operations.

(b) **Corporate / Wholesale Banking** includes all advances to companies and statutory bodies, that are not included under Retail Banking.

(c) **Retail Banking** includes lending to and deposits from retail customers and identified earnings and expenses of the segment.

(d) **Other Banking Operations** includes all other operations not covered under Treasury, Corporate / Wholesale Banking and Retail Banking.

Unallocated includes Capital and Reserves and other unallocable assets, liabilities, income and expenses.

19. CORPORATE SOCIAL RESPONSIBILITY:

Expenditure incurred towards corporate social responsibility are recognised as and when they become due.

20. EMPLOYEE STOCK OPTION PLAN and RESTRICTED STOCK UNITS:

Designated Employees of the Bank receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India, the cost of equity-settled transactions is measured using the intrinsic method. Share based payments to Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff, new stock options granted to Whole Time Directors, Chief Executive Officers and Material Risk Takers on or after April 01, 2021, are recognised at fair value on the date of grant using Black-Scholes model. Share based expense is recognized together with a corresponding increase in the "Employees Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Bank's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Profit and Loss Account for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

21. BORROWING COST:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

ANNEXURE - 23: Notes forming part of the Restated Summary Statements

1 Capital

1.1 Capital Adequacy Ratio (CAR)

The following table sets forth, for the year indicated, computation of capital adequacy as per the operating guidelines.

Particulars	**Half year ended**		**As at and for the year ended**		
	September 30, 2023	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Common equity tier 1 capital	21,883.42	12,564.49	14,374.80	9,869.30	9,246.91
Tier 1 capital	24,583.42	15,264.49	17,074.80	11,369.30	10,746.91
Tier 2 capital	2,764.98	2,470.60	3,334.71	3,303.91	3,441.36
Total capital (Tier 1 + Tier 2)	**27,348.40**	**17,735.09**	**20,409.51**	**14,673.21**	**14,188.27**
Total Risk Weighted Assets (RWAs)	**156,267.07**	**108,418.80**	**131,123.58**	**96,131.11**	**91,470.50**
Common equity tier 1 capital ratio (%) (Common equity tier 1 as a percentage of RWAs)	14.00%	11.59%	10.96%	10.27%	10.11%
Tier 1 capital ratio (%) (Tier 1 Capital as a percentage of RWAs)	15.73%	14.08%	13.02%	11.83%	11.75%
Tier 2 capital ratio (%) (Tier 2 Capital as a percentage of RWAs)	1.77%	2.28%	2.55%	3.43%	3.76%
Capital to RWAs ratio (%) (CRAR) (Total Capital as a percentage of RWAs)	**17.50%**	**16.36%**	**15.57%**	**15.26%**	**15.51%**
Leverage Ratio	**8.72%**	**6.73%**	**6.65%**	**5.63%**	**5.62%**
Percentage of the shareholding of Government of India	-	-	-	-	-
Amount of tier 2 capital raised through debt capital instruments during the period/year *	-	-	-	500.00	

* Notes: During the half year ended the Bank has renewed subordinated debt (Tier 2 capital) amounting to Nil (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: ₹ 750 million, March 31, 2021: Nil) and repaid ₹ 800 million (September 30, 2022: ₹ 260 million, March 31, 2023: ₹260 million, March 31, 2022: ₹ 2,950 million, March 31, 2021: Nil). Subordinated debt (Tier 2 capital) outstanding as at September 30, 2023: ₹ 3,500 million (September 30, 2022: ₹ 4,300 million, March 31, 2023: ₹ 4,300 million, March 31, 2022: ₹ 4,560 million, March 31, 2021: ₹ 7,010 million).

1.The Capital Adequacy Ratio (CAR) has been computed in accordance with RBI Circular No. RBI/2016-17/81 DBR.NBD.No. 26/16.13.218/2016-17 dated October 6, 2016 on Operating Guidelines for Small Finance Banks. As per the said circular, prudential regulatory framework will largely be drawn from the Basel standards for capital requirements and Basel II standardized approach for credit risk. Further, the RBI vide its Circular No. DBR.NBD.No.4502/16.13.218/2017-18 dated November 08, 2017 has provided an exemption to all Small Finance Banks whereby no separate capital charge is prescribed for market risk and operational risk.
2. The Bank has applied 100% risk weight on advances charged as security against grandfathered borrowings on the date of conversion into a Small Finance Bank.
3. Subordinated debt inclusion in Tier 2 capital has been limited to 50% of Tier 1 capital.

In accordance with the RBI guidelines, banks are required to make Pillar 3 disclosures under the Basel III Framework and Net Stable Funding Ratio (NSFR) Disclosures. These disclosures are available on the Bank's website at the following link: https://www.janabank.com/regulatory-disclosures/. These disclosures have not been subjected to audit by the statutory auditors of the Bank.

1.2 Capital Infusion

During the half year ended September 30, 2023, the Bank has issued equity shares having face value of ₹ 10 each for cash pursuant to right issue 14,850,632 of equity shares at ₹ 302.98 each aggregating to ₹ 4,499.44 million. Pursuant to conversion of compulsory convertible preference shares, Bank has issued 3,696,613 equity shares at ₹ 302.98 each aggregating to ₹ 1,120.00 million. During the year ended March 31, 2023, the Bank has issued equity shares having a face value of ₹ 10 each for cash pursuant to preferential allotment of 258,115 equity shares at ₹ 968.56 each aggregating to ₹ 250.00 million and 3,303,306 equity shares pursuant to a rights issue at ₹ 580.55 each aggregating to ₹ 1,917.73 million.

During the half year ended September 30, 2023, the Bank has issued 112,000,000 compulsorily convertible cumulative preference shares aggregating to ₹ 1,120.00 million having face value of ₹ 10 each. During the previous half year ended September 30, 2022 (pertaining to year ended March 31, 2023), the Bank has issued 120,000,000 compulsorily convertible cumulative preference shares with a face value of ₹ 10 each for cash at ₹ 10 each aggregating to ₹ 1,200.00 million.

Further, during the half year ended the Bank has allotted Nil equity shares (September 30, 2022: 5,718 (pertaning to year ended March 31, 2023), March 31, 2022: 2,884, March 31, 2021: 8,654) respectively with respect of stock options exercised aggregating to Nil (September 30, 2022: ₹ 5.53 million (pertaning to year ended March 31, 2023), March 31, 2022: ₹ 3.18 million, March 31, 2021: ₹ 11.97 million).

Details of movement in the paid up share capital are as below :

Particulars	**Half year ended**			
	September 30, 2023		**September 30, 2022**	
	No. of Equity shares	**Amount**	**No. of Equity shares**	**Amount**
Equity shares as at the beginning of the period	54,978,703	549.79	51,411,564	514.12
Addition pursuant to stock option exercised	-	-	5,718	0.06
Addition pursuant to rights issue of equity shares issued during the period	14,850,632	148.51	3,303,306	33.03
Addition pursuant to preferential issue of equity shares issued during the period	3,696,613	36.97	258,115	2.59
Equity shares outstanding as at the end of the period	**73,525,948**	**735.27**	**54,978,703**	**549.80**

Particulars	**Half year ended**			
	September 30, 2023		**September 30, 2022**	
	No. of Preference shares	**Amount**	**No. of Preference shares**	**Amount**
Preference shares as at the beginning of the period	270,000,000	2,700.00	150,000,000	1,500.00
Deduction pursuant to conversion of Preference Shares into Equity Shares	(112,000,000)	(1,120.00)	-	-
Addition pursuant to preference shares issued during the period	112,000,000	1,120.00	120,000,000	1,200.00
Preference shares outstanding as at the end of the period	**270,000,000**	**2,700.00**	**270,000,000**	**2,700.00**

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

Particulars	As at and for the year ended					
	March 31, 2023		March 31, 2022		March 31, 2021	
	No. of Equity shares	Amount	No. of Equity shares	Amount	No. of Equity shares	Amount
Equity shares as at the beginning of the year	51,411,564	514.12	50,727,257	507.27	50,718,603	507.19
Addition pursuant to stock option exercised	5,718	0.06	2,884	0.03	8,654	0.08
Addition pursuant to rights issue of equity shares issued during the year	3,303,306	33.03	-	-	-	-
Addition pursuant to preferential issue of equity shares issued during the year	258,115	2.58	681,423	6.82	-	-
Equity shares outstanding as at the end of the year	**54,978,703**	**549.79**	**51,411,564**	**514.12**	**50,727,257**	**507.27**

Particulars	As at and for the year ended					
	March 31, 2023		March 31, 2022		March 31, 2021	
	No. of Preference shares	Amount	No. of Preference shares	Amount	No. of Preference shares	Amount
Preference shares as at the beginning of the year	150,000,000	1,500.00	150,000,000	1,500.00	150,000,000	1,500.00
Deduction pursuant to conversion of Preference Shares into Equity Shares	-	-	-	-	-	-
Addition pursuant to Preference shares issued during the year	120,000,000	1,200.00	-	-	-	-
Preference shares outstanding as at the end of the year	**270,000,000**	**2,700.00**	**150,000,000**	**1,500.00**	**150,000,000**	**1,500.00**

2. Earnings per equity share

Particulars	Half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Net profit for the period/ year (₹ in million)	2,132.18	556.34	2,559.71	174.71	722.60
Weighted average number of equity shares in computing the basic earnings per share	64,102,754	52,865,629	53,919,271	50,819,200	50,725,972
Basic earnings per share ₹	**33.26**	**10.52**	**47.47**	**3.44**	**14.25**
Weighted average number of equity shares in computing the diluted earnings per share	72,410,369	57,003,039	60,034,836	54,492,436	53,684,496
Diluted earnings per share ₹	**29.45**	**9.76**	**42.64**	**3.21**	**13.46**
Nominal value per share ₹	10.00	10.00	10.00	10.00	10.00

1. Basic earnings per share is calculated by dividing the net profit or loss after tax for the period/year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/year.

2. Diluted earnings per equity share is computed by dividing net profit or loss for the period/year attributable to equity shareholders by weighted average number of equity shares including potential equity shares outstanding as at the end of the period/year, except when results are anti dilutive.

3. The dilutive impact is on account of stock options granted to employees and Non-Cumulative Compulsorily Convertible Preference Shares.

3. Reserves

3(a) Statutory Reserve

The Bank has transferred Nil to statutory reserves (September 30, 2022: Nil, March 31, 2023: ₹ 639.93 million, March 31, 2022: ₹ 13.51 million, March 31, 2021: ₹ 210.76 million) to statutory reserves pursuant to the requirements of Section 17 of the Banking Regulation Act, 1949 and RBI guidelines dated September 23, 2000.

3(b) Capital Reserve

The Bank has transferred Nil (September 30, 2022: Nil, March 31, 2023: ₹ 9.37 million, March 31, 2022: ₹ 30.54 million, March 31, 2021: ₹ 31.44 million) to capital reserves, being the profit from sale of HTM investments, net of taxes and appropriation to statutory reserve, as per the RBI regulations.

3(c) Share premium account

During the half year ended share premium account balance increased by ₹ 5,433.97 million pursuant to issue of shares (September 30, 2022: ₹ 2,137.58 million).Bank has adjusted the share issue expenses amounting to ₹ 51.23 million (September 30, 2022: ₹ 2.00 million).During the year ended March 31, 2023 share premium account balance increased by ₹ 2,137.58 million pursuant to the issue of equity shares (March 31, 2022: ₹ 656.37 million, March 31, 2021: ₹ 11.88 million). The Bank has adjusted the equity share issue expenses amounting to ₹ 7.85 million (March 31, 2022: Nil, March 31, 2021: Nil) from the securities premium account in terms of section 52 (2) (c) of the Companies Act, 2013.

3(d) Investment Reserve

The Bank has transferred ₹ Nil during the half year ended September 30, 2023 (September 30, 2022: Nil, March 31, 2023: ₹ 0.09 million, March 31, 2022: ₹ 2.94 million, March 31, 2021: Nil) to Investment Reserve, being the excess depreciation provisions created on 'AFS' or 'HFT' categories of investment than the required amount for the period, as per the RBI regulations.

3(e) Investment Fluctuation Reserve (IFR)

As per RBI master direction, banks were required to create an IFR with effect from the year ending March 31, 2019 to reach a level of 2% of HFT and AFS portfolio within a period of three years, where feasible. IFR shall be created by transferring an amount not less than the lower of the following:
(i) Net profit on sale of investments during the period/year
(ii) Net profit for the period/year less mandatory appropriations

The Bank has transferred ₹ 200.00 million for the half year ended September 30, 2023 (September 30, 2022: Nil, March 31, 2023: ₹ 158.77 million, March 31, 2022: ₹ 5.79 million, March 31, 2021: ₹ 165.97 million) to the investment fluctuation reserve.

3(f) Drawdown of Reserves

During the half year ended September 30, 2023, there were no drawdown from reserves (September 30, 2022: Nil, March 31, 2023 : Nil, March 31, 2022 : Nil, March 31, 2021: Nil).

(All amounts are in Indian Rupees in Million unless otherwise stated)

4. Employees Stock Option Plan Scheme

The Bank has share- based payment schemes for it's employees. Schemes in operations during the period/year are Employee stock option plan scheme 2017, Employee stock option plan scheme 2018, Restrictive Stock Units Scheme 2017 and Restrictive Stock Units Scheme 2018.

The details of the Employee Stock Option Plan Schemes (ESOP) and Restrictive Stock Unit Scheme (RSU) during the half year ended September 30, 2023

Particulars	ESOP 2017	ESOP 2018	RSU 2017	RSU 2018
Grant date	Various dates	Various dates	Various dates	Various dates
Total options under the plan	1,867,579	2,023,697	Sub-set of ESOP 2017	Sub-set of ESOP 2018
Number of options granted during the period	47,383	-	-	14,618
Method of settlement	Equity	Equity	Equity	Equity
Vesting	25% after one year from the date of grant 25% after two years from the date of grant 25% after three years from the date of grant Balance 25% after four years from the date of grant		One year from the date of grant	
Exercisable period	The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of vesting of such Option or 2 years from the date of Listing, whichever is later.		The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of vesting of such Option or 2 years from the date of Listing, whichever is later.	
Vesting conditions	Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.		Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.	
Exercise price per option for the options granted during the period(₹)	580.55 and 302.98		10.00	

The details of the Employee Stock Option Plan Schemes (ESOP) and Restrictive Stock Unit Scheme (RSU) during the half year ended September 30, 2022

Particulars	ESOP 2017	ESOP 2018	RSU 2017	RSU 2018
Grant Date	Various dates	Various dates	Various dates	Various dates
Option available under the plan	1,867,579	2,023,697	Sub-set of ESOP 2017	Sub-set of ESOP 2018
Number of options granted during the period	1,858	139,832	-	15,661
Method of Settlement	Equity	Equity	Equity	Equity
Vesting	25% after one year from the date of grant 25% after two years from the date of grant 25% after three years from the date of grant Balance 25% after four years from the date of grant		One year from the date of grant	
Exercisable period	The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of Vesting of such Option or 2 years from the date of Listing, whichever is later.		The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of Vesting of such Option or 2 years from the date of Listing, whichever is later.	
Vesting conditions	Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be. The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.		Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be. The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.	
Exercise price per option for the options granted during the period(₹)	968.56 and 580.55		10.00	

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)
The details of the Employee Stock Option Plan Schemes (ESOP) and Restrictive Stock Unit Scheme (RSU) during the year ended March 31, 2023

Particulars	ESOP 2017	ESOP 2018	RSU 2017	RSU 2018
Grant date	Various dates	Various dates	Various dates	Various dates
Total options under the plan	1,867,579	2,023,697	Sub-set of ESOP 2017	Sub-set of ESOP 2018
Number of options granted during the year	4,546	470,215	16,088	16,349
Method of settlement	Equity	Equity	Equity	Equity
Vesting	25% after one year from the date of grant 25% after two years from the date of grant 25% after three years from the date of grant Balance 25% after four years from the date of grant		One year from the date of grant	
Exercisable period	The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of vesting of such Option or 2 years from the date of Listing, whichever is later.		The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of vesting of such Option or 2 years from the date of Listing, whichever is later.	
Vesting conditions	Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.		Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.	
Exercise price per option for the options granted during the year(₹)	960.59, 968.56 and 580.55		10.00	

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

The details of the Employee Stock Option Plan Schemes (ESOP) and Restrictive Stock Unit Scheme (RSU) during the year ended March 31, 2022

Particulars	ESOP 2017	ESOP 2018	RSU 2017	RSU 2018
Grant Date	Various dates	Various dates	Various dates	Various dates
Option available under the plan	1,867,579	2,023,697	Sub-set of ESOP 2017	Sub-set of ESOP 2018
Number of Options granted	186,094	1,815	17,688	9,189
Method of Settlement	Equity	Equity	Equity	Equity
Vesting	25% after one year from the date of grant 25% after two years from the date of grant 25% after three years from the date of grant Balance 25% after four years from the date of grant		One year from the date of grant	
Exercisable period	The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of Vesting of such Option or 2 years from the date of Listing, whichever is later.		The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of Vesting of such Option or 2 years from the date of Listing, whichever is later.	
Vesting conditions	Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be. The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.		Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be. The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.	
Exercise price per option for the options granted during the year(₹)	960.59 and 968.56		10.00	

The details of the Employee Stock Option Plan Schemes (ESOP) and Restrictive Stock Unit Scheme (RSU) during the year ended March 31, 2021

Particulars	ESOP 2017	ESOP 2018	RSU 2017	RSU 2018
Grant Date	Various dates	Various dates	Various dates	Various dates
Option available under the plan	1,867,579	2,023,697	Sub-set of ESOP 2017	Sub-set of ESOP 2018
Number of Options granted	25,512	-	17,864	1,041
Method of Settlement	Equity	Equity	Equity	Equity
Vesting	25% after one year from the date of grant 25% after two years from the date of grant 25% after three years from the date of grant Balance 25% after four years from the date of grant		One year from the date of grant	
Exercisable period	The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of Vesting of such Option or 2 years from the date of Listing, whichever is later.		The Exercise period shall be subject to a maximum period of 5 years commencing from, the date of Vesting of such Option or 2 years from the date of Listing, whichever is later.	
Vesting conditions	Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be. The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.		Continued employment/ service with the Company on relevant date of vesting, including with the Subsidiaries Company, as the case may be. The NRC shall have the power to accelerate Vesting of all Unvested Options of an Employee who is considered a Good Leaver.	
Exercise price per option for the options granted during the year(₹)	960.59		10.00	

The following are the outstanding options as at September 30, 2023:

Particulars	As at and for the half year ended September 30, 2023			
	ESOP 2017	ESOP 2018	ESOP 2017 (RSU)	ESOP 2018 (RSU)
Total Options granted and outstanding at the beginning of the year	1,215,817	679,060	94,969	27,599
Add: Options granted during the period	47,383	-	-	14,618
Less: Options forfeited / lapsed during the period	120,443	87,973	-	11,141
Less : Options exercised during the period	-	-	-	-
Options Outstanding as at end of the period	1,142,757	591,087	94,969	31,076
- Vested	912,086	212,114	78,881	21,529
- Yet to vest	230,671	378,973	16,088	9,547

The following are the outstanding options as at September 30, 2022:

Particulars	As at and for the half year ended September 30, 2022			
	ESOP 2017	ESOP 2018	ESOP 2017 (RSU)	ESOP 2018 (RSU)
Total Options granted and outstanding at the beginning of the year	1,460,064	324,958	79,922	20,115
Add: Options granted during the period	1,858	139,832	-	15,661
Less: Options forfeited / lapsed during the period	174,912	79,276	(841)	(11,217)
Less : Options exercised during the period	-	-	841	18,032
Options Outstanding as at end of the period	1,287,010	385,514	79,922	28,961
- Vested	760,379	141,023	71,083	10,134
- Yet to vest	526,631	244,491	8,839	18,827

As per SEBI guidelines, the accounting for share based payments can be done either under the 'Intrinsic Value' basis or 'Fair Value' basis. As per the approval of Board the Bank has adopted 'Intrinsic Value' method for accounting of share based payments.

(All amounts are in Indian Rupees in Million unless otherwise stated)

The following are the outstanding options as at March 31, 2023:

Particulars	As at and for the year ended March 31, 2023			
	ESOP 2017	ESOP 2018	ESOP 2017 (RSU)	ESOP 2018 (RSU)
Total Options granted and outstanding at the beginning of the year	1,460,064	324,958	79,922	20,115
Add: Options granted during the year	4,546	470,215	16,088	16,349
Less: Options forfeited / lapsed during the year	248,793	116,113	1,041	3,147
Less : Options exercised during the year	-	-	-	5,718
Options Outstanding as at end of the year	1,215,817	679,060	94,969	27,599
- Vested	763,621	152,487	78,881	12,573
- Yet to vest	452,196	526,573	16,088	15,026

The following are the outstanding options as at March 31, 2022:

Particulars	As at and for the year ended March 31, 2022			
	ESOP 2017	ESOP 2018	ESOP 2017 (RSU)	ESOP 2018 (RSU)
Total Options granted and outstanding at the beginning of the year	1,451,448	393,039	63,075	14,656
Add: Options granted during the year	186,094	1,815	17,688	9,189
Less: Options forfeited / lapsed during the year	177,478	69,896	-	1,687
Less : Options exercised during the year	-	-	841	2,043
Options Outstanding as at end of the year	1,460,064	324,958	79,922	20,115
- Vested	798,301	180,921	71,083	10,926
- Yet to vest	661,763	144,037	8,839	9,189

The following are the outstanding options as at March 31, 2021:

Particulars	As at and for the year ended March 31, 2021			
	ESOP 2017	ESOP 2018	ESOP 2017 (RSU)	ESOP 2018 (RSU)
Total Options granted and outstanding at the beginning of the year	1,690,629	503,932	45,211	23,769
Add: Options granted during the year	25,512	-	17,864	1,041
Less: Options forfeited / lapsed during the year	264,693	110,893	-	1,500
Less : Options exercised during the year	-	-	-	8,654
Options Outstanding as at end of the year	1,451,448	393,039	63,075	14,656
- Vested	694,834	141,103	62,034	13,615
- Yet to vest	756,614	251,936	1,041	1,041

As per SEBI guidelines, the accounting for share based payments can be done either under the 'Intrinsic Value' basis or 'Fair Value' basis. As per the approval of Board the Bank has adopted 'Intrinsic Value' method for accounting of share based payments.

RBI vide its clarification dated August 30, 2021, on Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Bank has changed its accounting policy from intrinsic value method to the fair value method for such class of employees. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. As a result of changes in RBI guidelines on share-based payment, ‘Employees Cost’ for the year ended March 31, 2021 is lower by ₹ 1.80 million with a consequent impact on profit after tax.

(All amounts are in Indian Rupees in Million unless otherwise stated)

Particulars	**For the half year ended September 30, 2023**	**For the half year ended September 30, 2022**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Employee Stock Option expenditure	11.93	11.12	26.83	10.00	(7.70)
Restrictive Stock Units expenditure	4.77	9.40	19.15	14.19	(2.02)
Total	**16.70**	**20.52**	**45.98**	**24.19**	**(9.72)**

Particulars	**For the half year ended**		**For the year ended**		
	September 30, 2023	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Amount of Employee stock options and restrictive stock units outstanding	218.57	176.41	201.87	161.42	140.48

Effect of fair value method of accounting - share based payment plans in the Profit and Loss Account and on its financial position:

The key assumptions used in Black Scholes model for calculating value of options as on the date of the grant for ESOP 2017 & 2018 and ESOP (RSU) 2017 & 2018.

Particulars	**For the half year ended**		**For the year ended**		
	September 30, 2023	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Variables					
1. Risk free interest rate	6.92% - 7.10%	5.74% - 6.26%	5.79% - 7.14%	5.74% - 6.26%	5.36%
2. Expected life (in years)	3.75 & 1	4.50	3.75 & 1	4.50	4.50
3. Expected volatility	44.64% - 45.55%	68.09% - 70.42%	40.56% - 44.71%	68.09% - 70.42%	65.69%
4. Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
5. The weighted average fair value of options granted ₹	406.46	965.76	317.46	623.19	578.09

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and Earnings Per Share (EPS) both basic and diluted, had the Company adopted the fair value method amortizing the stock compensation expense thereon over the vesting period, the impact on reported profit, basic and diluted EPS would have been as below:

Particulars	**For the half year ended**		**For the year ended**		
	September 30, 2023	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Reported profit would have been lower by (₹ million)	**28.47**	**42.37**	**102.03**	**140.30**	**285.46**
Basic earnings per share ₹	32.82	9.72	45.58	0.68	8.62
Diluted earnings per share ₹	29.05	9.02	40.94	0.63	8.14

The expected life of the stock option is based on historical data and current expectation and is not necessarily indicative of the pattern that may occur. The expected volatility reflects the assumption that the historical volatility of a comparable listed entity for 5 years period ended on the date of the grant is indication of future trends which may not necessarily be the actual outcome.

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

5. Investments

5(a) Composition of Investment Portfolio

As at September 30, 2023

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others (Security Receipts, PTC)	Total investments in India	Government securities	Subsidiaries and/or joint ventures	*Others*	Total Investments outside India	Total Investments
Held to Maturity												
Gross	32,012.17	-	-	-	-		**32,012.17**					-
Less: Provision for non-performing investments (NPI)							-					-
Net	**32,012.17**	**-**	**-**	**-**	**-**	**-**	**32,012.17**	**-**	**-**	**-**	**-**	**-**
Available for Sale												
Gross	18,002.81					5,230.68	**23,233.49**					-
Less: Provision for depreciation and NPI						(153.72)	**(153.72)**					-
Net	**18,002.81**	**-**	**-**	**-**	**-**	**5,076.96**	**23,079.78**	**-**	**-**	**-**	**-**	**-**
Held for Trading												
Gross							-					-
Less: Provision for depreciation and NPI							-					-
Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Investments	**50,014.98**	**-**	**-**	**-**	**-**	**5,230.68**	**55,245.66**	-	-	-	-	-
Less: Provision for non-performing investments	-	-	-	-	-	(153.72)	(153.72)	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	**50,014.98**	**-**	**-**	**-**	**-**	**5,076.96**	**55,091.94**	-	-	-	-	-

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)
As at September 30, 2022

	Investments in India							Investments outside India				
	Government Securities	**Other Approved Securities**	**Shares**	**Debentures and Bonds**	**Subsidiaries and/or joint ventures**	**Others (Security Receipts, PTC)**	**Total investments in India**	**Government securities**	**Subsidiaries and/or joint ventures**	***Others***	**Total Investments outside India**	**Total Investments**
Held to Maturity												
Gross	29,981.25	-	-	-	-		**29,981.25**					-
Less: Provision for non-performing investments (NPI)							-					-
Net	**29,981.25**	**-**	**-**	**-**	**-**	**-**	**29,981.25**	**-**	**-**	**-**	**-**	**-**
Available for Sale												
Gross	32,381.83					1,632.33	**34,014.16**					-
Less: Provision for depreciation and NPI						-	-					-
Net	**32,381.83**	**-**	**-**	**-**	**-**	**1,632.33**	**34,014.16**	**-**	**-**	**-**	**-**	**-**
Held for Trading												
Gross							-					-
Less: Provision for depreciation and NPI							-					-
Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Investments	**62,363.09**	**-**	**-**	**-**	**-**	**1,632.33**	**63,995.41**	-	-	-	-	-
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	**62,363.09**	**-**	**-**	**-**	**-**	**1,632.33**	**63,995.41**	-	-	-	-	-

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)
As at March 31, 2023

	Investments in India							**Investments outside India**				
	Government Securities	**Other Approved Securities**	**Shares**	**Debentures and Bonds**	**Subsidiaries and/or joint ventures**	**Others (Security Receipts, PTC)**	**Total investments in India**	**Government securities**	**Subsidiaries and/or joint ventures**	***Others***	**Total Investments outside India**	**Total Investments**
Held to Maturity												
Gross	33,484.75	-	-	-	-		**33,484.75**					-
Less: Provision for non-performing investments (NPI)							-					-
Net	**33,484.75**	**-**	**-**	**-**	**-**	**-**	**33,484.75**	**-**	**-**	**-**	**-**	**-**
Available for Sale												
Gross	15,792.68					2,934.81	**18,727.49**					-
Less: Provision for depreciation and NPI							-					-
Net	**15,792.68**	**-**	**-**	**-**	**-**	**2,934.81**	**18,727.49**	**-**	**-**	**-**	**-**	**-**
Held for Trading												
Gross							-					-
Less: Provision for depreciation and NPI							-					-
Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Investments	**49,277.44**	**-**	**-**	**-**	**-**	**2,934.81**	**52,212.25**	-	-	-	-	-
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	**49,277.44**	**-**	**-**	**-**	**-**	**2,934.81**	**52,212.25**	-	-	-	-	-

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)
5(a) Composition of Investment Portfolio (contd)..

As at March 31, 2022

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others (Security Receipts)	Total investments in India	Government securities	Subsidiaries and/or joint ventures	*Others*	Total Investments outside India	Total Investments
Held to Maturity												
Gross	29,429.07	-	-	-	-		**29,429.07**					-
Less: Provision for non-performing investments (NPI)							-					-
Net	**29,429.07**	**-**	**-**	**-**	**-**	**-**	**29,429.07**	**-**	**-**	**-**	**-**	**-**
Available for Sale												
Gross	20,298.43					925.23	**21,223.65**					-
Less: Provision for depreciation and NPI	(0.12)						**(0.12)**					-
Net	**20,298.31**	**-**	**-**	**-**	**-**	**925.23**	**21,223.54**	**-**	**-**	**-**	**-**	**-**
Held for Trading												
Gross							-					-
Less: Provision for depreciation and NPI							-					-
Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Investments	**49,727.50**	**-**	**-**	**-**	**-**	**925.23**	**50,652.73**	-	-	-	-	-
Less: Provision for non-performing investments	(0.12)	-	-	-	-	-	(0.12)	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	**49,727.38**	**-**	**-**	**-**	**-**	**925.23**	**50,652.61**	-	-	-	-	-

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)
5(a) Composition of Investment Portfolio (contd)..

As at March 31, 2021

	Investments in India							Investments outside India				
	Government Securities	**Other Approved Securities**	**Shares**	**Debentures and Bonds**	**Subsidiaries and/or joint ventures**	**Others (Security Receipts)**	**Total investments in India**	**Government securities**	**Subsidiaries and/or joint ventures**	***Others***	**Total Investments outside India**	**Total Investments**
Held to Maturity												
Gross	16,560.90	-	-	-	-		**16,560.90**					-
Less: Provision for non-performing investments (NPI)							-					-
Net	**16,560.90**	**-**	**-**	**-**	**-**	**-**	**16,560.90**	**-**	**-**	**-**	**-**	**-**
Available for Sale												
Gross	30,176.08					-	**30,176.08**					-
Less: Provision for depreciation and NPI	(3.23)						**(3.23)**					-
Net	**30,172.85**	**-**	**-**	**-**	**-**	**-**	**30,172.85**	**-**	**-**	**-**	**-**	**-**
Held for Trading												
Gross	244.91						**244.91**					-
Less: Provision for depreciation and NPI	(0.81)						**(0.81)**					-
Net	**244.10**	**-**	**-**	**-**	**-**	**-**	**244.10**	**-**	**-**	**-**	**-**	**-**
Total Investments	46,981.89	-	-	-	-	-	46,981.89	-	-	-	-	-
Less: Provision for non-performing investments	(4.04)	-	-	-	-	-	(4.04)	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	46,977.85	-	-	-	-	-	46,977.85	-	-	-	-	-

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

5(b) Movement of provision for depreciation and Investment Fluctuation Reserve

Particulars	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
i) Movement of provisions held towards depreciation on investments					
a) Opening balance	-	0.12	0.12	4.03	
b) Add: Provision made during the period/year	0.39	-		-	4.03
c) Less: Write-off /write back of excess provision during the period/year	0.39	0.12	0.12	3.92	
d) Closing balance	-	-	-	0.12	4.03
ii) Movement of Investment Fluctation Reserve (IFR)					
a) Opening balance	376.89	218.12	218.12	212.33	46.36
b) Add: Amount transferred during the period/year	200.00	-	158.77	5.79	165.97
c) Less: Drawdown	-	-	-	-	
d) Closing balance	576.89	218.12	376.89	218.12	212.33
ii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current Category	2.50%	0.64%	2.01%	1.03%	0.70%

5(c) Sale and Transfers to/from HTM Category

During the half year ended September 30, 2023, the Bank has transferred of ₹ 3,800 million of securities from held-to-maturity (HTM) category to available-for-sale (AFS) category.

During the half year ended September 30, 2023, the Bank has not undertaken any transactions for sale of securities from HTM portfolio. The above sale is excluding sale to RBI under pre-announced open market operation auctions and repurchase of government securities by Government of India, as permitted by RBI guidelines.

During the half year ended September 30, 2022, the Bank has not transferred securities from held-to-maturity (HTM) category to available-for-sale (AFS) category.

During the half year ended September 30, 2022, the Bank has not undertaken any transactions for sale of securities from HTM portfolio. The above sale is excluding sale to RBI under pre-announced open market operation auctions and repurchase of government securities by Government of India, as permitted by RBI guidelines

During the year ended March 31, 2023, the Bank has not transferred securities from held-to-maturity (HTM) category to available-for-sale (AFS) category.

During the year ended March 31, 2023, the Bank has undertook 15 transactions for sale of securities with a net book value of ₹ 1,317.14 million, which was 4.48 % of the HTM portfolio at April 1, 2022. The above sale is excluding sale to RBI under pre-announced open market operation auctions and repurchase of government securities by Government of India, as permitted by RBI guidelines.

During the year ended March 31, 2022, the Bank has not transferred securities from held-to-maturity (HTM) category to available-for-sale (AFS) category.

During the year ended March 31, 2022, the Bank has not undertaken any transactions for sale of securities of the HTM portfolio at April 1, 2021. The above sale is excluding sale to RBI under pre-announced open market operation auctions and repurchase of government securities by Government of India, as permitted by RBI guidelines.

During the year ended March 31, 2021, with the approval of Board of Directors, the Bank transferred securities with a net book value of ₹ 3,565.25 million from held-to-maturity (HTM) category to available-for-sale (AFS) category, being transfer of securities at the beginning of the accounting year as permitted by the RBI.

During the year ended March 31, 2021, the Bank undertook 4 transactions for sale of securities with a net book value of ₹ 3,565.25 million which was 81.53% of the HTM portfolio at April 1, 2020. The above sale is excluding sale to RBI under pre-announced open market operation auctions and repurchase of government securities by Government of India, as permitted by the RBI guidelines.

In accordance with the RBI guidelines, sales from, and transfers to / from, HTM category exclude the following from the 5% cap:
1. One-time transfer of securities permitted to be undertaken by banks at the beginning of the accounting year with approval of the Board of Directors;
2. Sales to the RBI under pre-announced open market operation auctions;
3. Repurchase of Government securities by Government of India from banks;
4. Additional shifting of securities explicitly permitted by the RBI from time to time;
5. Repurchase of state development loans by respective state governments under buy back /switch operations; and
6. Direct sales from HTM for bringing down SLR holdings in the HTM category.

5(d) Non-SLR investment Portfolio
The NPA in non-SLR investment is given below -

Particulars	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
a) Opening balance	-	-	-	-	-
b) Add: Addition during the period/year	-	-	-	-	-
c) Less: reductions during the period/year	-	-	-	-	-
d) Closing balance	-	-	-	-	-
e) Total Provision held	-	-	-	-	-

(ii) Issuer-wise composition of non-SLR investments
As on September 30, 2023, the Bank held below non-SLR Investments.

Issuer	Amount	Extent of private placement#	Extent of “below investment graded" securities#	Extent of “unrated” securities#	Extent of “unlisted” securities#
1.Public sector undertakings	-	-	-	-	-
2.Financial institutions	-	-	-	-	-
3.Banks	-	-	-	-	-
4.Private corporates	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others (Security Receipts, PTC)	5,230.68	-	-	-	5,230.68
7.Provision held towards depreciation	(153.72)	-	-	-	(153.72)
Total	**5,076.96**	-	-	-	**5,076.96**

 # Amounts reported under these columns above are not mutually exclusive

During the previous half year ended September 30, 2022, the Bank held below non-SLR Investments.

Issuer	Amount	Extent of private placement#	Extent of “below investment graded" securities#	Extent of “unrated” securities#	Extent of “unlisted” securities#
1.Public sector undertakings	-	-	-	-	-
2.Financial institutions	-	-	-	-	-
3.Banks	-	-	-	-	-
4.Private corporates	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others (Security Receipts, PTC)	1,632.33	-	-	-	1,632.33
7.Provision held towards depreciation	-	-	-	-	-
Total	**1,632.33**	-	-	-	**1,632.33**

 # Amounts reported under these columns above are not mutually exclusive

As on March 31, 2023, the Bank held below non-SLR Investments.

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

Issuer	Amount	Extent of private placement#	Extent of "below investment graded" securities#	Extent of "unrated" securities#	Extent of "unlisted" securities#
1.Public sector undertakings	-	-	-	-	-
2.Financial institutions	-	-	-	-	-
3.Banks	-	-	-	-	-
4.Private corporates	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others (Security Receipts, PTC)	2,934.81	-	-	-	2,934.81
7.Provision held towards depreciation	-	-	-	-	-
Total	**2,934.81**	-	-	-	**2,934.81**

 # Note: Amounts reported under these columns above are not mutually exclusive

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

During the previous year ended March 31, 2022, the Bank held below non-SLR Investments.

Issuer	Amount	Extent of private placement#	Extent of "below investment graded" securities#	Extent of "unrated" securities#	Extent of "unlisted" securities#
1.Public sector undertakings	-	-	-	-	-
2.Financial institutions	-	-	-	-	-
3.Banks	-	-	-	-	-
4.Private corporates	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others (Security Receipts)	925.23	-	-	-	925.23
7.Provision held towards depreciation	-	-	-	-	-
Total	**925.23**	-	-	-	**925.23**

 # Note: Amounts reported under these columns above are not mutually exclusive

During the previous year ended March 31, 2021, the Bank held below non-SLR Investments.

Issuer	Amount	Extent of private placement#	Extent of "below investment graded" securities#	Extent of "unrated" securities#	Extent of "unlisted" securities#
1.Public sector undertakings	-	-	-	-	-
2.Financial institutions	-	-	-	-	-
3.Banks	-	-	-	-	-
4.Private corporates	-	-	-	-	-
5.Subsidiaries / Joint ventures	-	-	-	-	-
6.Others (Security Receipts)	-	-	-	-	-
7.Provision held towards depreciation	-	-	-	-	-
Total	**-**	-	-	-	**-**

 # Note: Amounts reported under these columns above are not mutually exclusive

5(e) Repo/ Reverse Repo Transactions
Details of repo / reverse repo deals (in face value terms) (Including LAF and TREPS) done during the half year ended September 30, 2023.

Particulars	Minimum outstanding during the half year	Maximum outstanding during the half year	Daily Average outstanding during the half year	Outstanding as at September 30, 2023
Securities sold under repo				
i. Government securities				
a) MSF (Repo with RBI)	10.00	900.00	40.87	10.00
b) Tri-Party Repo (TREPS)	10.50	7,348.65	339.47	-
c) Market Repo (CROMS)	263.22	263.22	1.44	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities (SLTRO)	8,000.00	8,000.00	8,000.00	8,000.00
Securities purchased under reverse repo				
i. Government securities				
a) LAF (Reverse Repo with RBI)	2,000.00	11,000.00	2,557.38	-
b) Tri-Party Repo (TREPS)	249.95	8,994.78	1,454.91	-
c) Market Repo (CROMS)	-	-	-	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

Details of repo / reverse repo deals (in face value terms) (Including LAF and TREPS) done during the half year ended September 30, 2022.

Particulars	Minimum outstanding during the half year	Maximum outstanding during the half year	Daily Average outstanding during the half year	Outstanding as at September 30, 2022
Securities sold under repo				
i. Government securities				
a) MSF (Repo with RBI)	10.00	200.00	3.99	-
b) Tri-Party Repo (TREPS)	139.98	4,999.51	586.14	1,999.00
c) Market Repo (CROMS)	97.09	3,849.49	602.54	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities (SLTRO)	8,000.00	8,000.00	8,000.00	8,000.00
Securities purchased under reverse repo				
i. Government securities				
a) LAF (Reverse Repo with RBI)	2,500.00	9,300.00	664.81	
b) Tri-Party Repo (TREPS)	49.99	499.93	10.11	-
c) Market Repo (CROMS)	-	-	-	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

Details of repo / reverse repo deals (in face value terms) (Including LAF and TREPS) done during the year ended March 31, 2023.

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as at March 31, 2023
Securities sold under repo				
i. Government securities				
a) MSF (Repo with RBI)	10.00	6,500.00	49.34	-
b) Tri-Party Repo (TREPS)	139.98	9,695.09	2,005.83	-
c) Market Repo (CROMS)	9.54	3,849.49	550.50	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities (SLTRO)	8,000.00	8,000.00	8,000.00	8,000.00
Securities purchased under reverse repo				
i. Government securities				
a) LAF (Reverse Repo with RBI)	2,500.00	9,300.00	448.38	-
b) Tri-Party Repo (TREPS)	499.93	8,994.78	312.88	8,994.78
c) Market Repo (CROMS)	99.14	998.40	54.98	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)
Details of repo / reverse repo deals (in face value terms) (Including LAF and TREPS) for the year ended March 31, 2022

Particulars	**Minimum outstanding during the year**	**Maximum outstanding during the year**	**Daily Average outstanding during the year**	**Outstanding as at March 31, 2022**
Securities sold under repo				
i. Government securities				
a) MSF (Repo with RBI)	80.00	530.00	2.33	-
b) Tri-Party Repo (TREPS)	0.50	4,999.56	2,510.66	-
c) Market Repo (CROMS)	9.92	2,009.42	340.56	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	1,500.00	8,000.00	21.92	8,000.00
Securities purchased under reverse repo	-	-	-	-
i. Government securities	-	-	-	-
a) MSF (Repo with RBI)	168.49	22,760.00	3,359.29	9,300.00
b) Tri-Party Repo (TREPS)	-	-	-	-
c) Market Repo (CROMS)	-	-	-	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

(All amounts are in Indian Rupees in Million unless otherwise stated)

Details of repo / reverse repo deals (in face value terms) (Including LAF and TREPS) for the year ended March 31, 2021

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as at March 31, 2021
Securities sold under repo				
i. Government securities				
a) MSF (Repo with RBI)	40.00	50.00	0.20	-
b) Tri-Party Repo (TREPS)	0.50	1,999.85	519.00	-
c) Market Repo (CROMS)	49.60	997.90	3.00	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repo	-	-	-	-
i. Government securities	-	-	-	-
a) LAF (Reverse Repo with RBI)	50.00	20,130.00	4,041.80	16,630.00
b) Tri-Party Repo (TREPS)	99.99	999.97	9.70	-
c) Market Repo (CROMS)	49.90	50.00	0.40	-
ii. Corporate debt securities	-	-	-	-
iii. Any other securities	-	-	-	-

6. Derivatives

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

a) Forward rate agreement/ Interest rate swap/ Cross Currency Interest Rate Swap

Particulars	As at and for the half year ended September 30, 2023	As at and for the half year ended September 30, 2022	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
i) The notional principal of swap agreements	-	-	-	-	236.99
ii) Losses which would be incurred if counter parties failed to fulfil their obligation under the	-	-	-	-	37.17
iii) Collateral required by the Bank upon entering into swaps	-	-	-	-	119.06
iv) Concentration of credit risk arising from the swaps	-	-	-	-	-
v) Fair value of the swap book	-	-	-	-	37.17

The nature and terms of the Cross Currency Interest Rate Swap

Nature	Terms	Benchmark	No. of deals
Hedging	Floating payable vs fixed receivable	USD MIFOR	2

b) Exchange Traded Interest Rate Derivatives - Not applicable

c) Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

The Bank's treasury function is responsible for Bank's access to financial markets. Further, treasury function monitors and manages various risks relating to treasury operations of the Bank including currency risk, market risk and liquidity risk. In course of managing these risks, the Bank may use various market instruments as permissible for the Bank based on RBI guidelines and internal approvals. Further, compliance with various policies and exposure limits is reviewed by the internal auditors as required. The Bank does not enter into any trade in financial instruments including derivative financial instruments for speculative purposes. The grandfathered external commercial borrowing at the time of transition to Small Finance Bank was fully hedged and same was repaid during the financial year ended March 31, 2022. Further, as per operating guidelines for Small Finance Banks issued by the RBI, there are no derivative transactions entered into during the period ended September 30, 2023 (September 30, 2022: ₹ Nil, March 31, 2023: ₹ Nil, March 31, 2022: ₹ Nil, March 31, 2021: ₹ Nil).

(ii) Quantitative Disclosure

Particulars	As at and for the half year ended September 30, 2023		As at and for the half year ended September 30, 2022	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)				
a) For hedging*	-	-	-	-
b) For trading	-	-	-	-
(ii) Marked to Market Positions				
a) Asset (+)	-	-	-	-
b) Liability (-)	-	-	-	-
(iii) Credit Exposure	-	-	-	-
(iv) Likely impact of one percentage change in interest rate (100*PV01)				
a) on hedging derivatives	-	-	-	-
b) on trading derivatives	-	-	-	-
(v) Maximum and Minimum of 100*PV01 observed during the period/year				
a) on hedging	-	-	-	-
b) on trading	-	-	-	-

* Pertains to cross currency interest rate swap

Particulars	As at and for the year ended March 31, 2023		As at and for the year ended March 31, 2022		As at and for the year ended March 31, 2021	
	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i) Derivatives (Notional Principal Amount)						
a) For hedging*	-	-	-	-	236.99	-
b) For trading	-	-	-	-	-	-
(ii) Marked to Market Positions						
a) Asset (+)	-	-	-	-	37.17	-
b) Liability (-)	-	-	-	-	-	-
(iii) Credit Exposure	-	-	-	-	-	-
(iv) Likely impact of one percentage change in interest rate (100*PV01)						
a) on hedging derivatives	-	-	-	-	-	-
b) on trading derivatives	-	-	-	-	-	-
(v) Maximum and Minimum of 100*PV01 observed during the period/year						
a) on hedging	-	-	-	-	-	-
b) on trading	-	-	-	-	-	-

* Pertains to cross currency interest rate swap

d) Credit default swaps

The Bank has not transacted in credit default swaps during the period/year ended September 30, 2023, September 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021.

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

7. Asset Quality

7(a) Classification of advances and provisions held
As at September 30, 2023

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	172,915.55	6,940.06	151.55	0.25	7,091.86	180,007.41
Add: Additions during the half year#					5,190.11	
Less: Reductions during the half year#*					(7,068.84)	
Closing balance	208,258.17	2,585.97	2,627.16	-	5,213.13	213,471.30
Reductions in Gross NPAs due to:*						
i) Upgradation					850.80	
ii) Recoveries (excluding recoveries from upgraded accounts)					4975.9	
iii) Technical/ Prudential Write-offs					1069.346196	
iv) Write-offs other than those under (iii) above					172.80	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	1,356.61	2,346.95	64.66	0.25	2,411.86	3,768.47
Add: Fresh provisions made during the half year$					3,457.40	
Less: Excess provision reversed/ Write-offs					(2,485.06)	
Closing balance of provisions held	1,182.40	1,078.82	2,305.38	-	3,384.20	4,566.60
Net NPAs						
Opening Balance		4,593.11	86.89	-	4,680.00	
Add: Fresh additions during the half year					3,994.16	
Less: Reductions during the half year*					(6,845.23)	
Closing Balance		1,507.15	321.78	-	1,828.93	

As at September 30, 2022

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	124,934.16	7,444.44	124.60	-	7,569.04	132,503.20
Add: Additions during the half year#					8,415.83	
Less: Reductions during the half year#*					(5,749.97)	
Closing balance	139,685.44	9,952.33	279.07	3.40	10,234.80	149,920.24
*Reductions in Gross NPAs due to:						
i) Upgradation					722.09	
ii) Recoveries (excluding recoveries from upgraded accounts)					2,229.54	
iii) Technical/ Prudential Write-offs					2,521.12	
iv) Write-offs other than those under (iii) above					277.21	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	761.29	2,328.76	107.70	-	2,436.48	3,197.75
Add: Fresh provisions made during the half year #					3,933.62	
Less: Excess provision reversed/ Write-offs					(2,876.35)	
Closing balance of provisions held	617.05	3,306.19	184.16	3.40	3,493.75	4,110.80
Net NPAs						
Opening Balance		5,115.68	16.90	-	5,132.58	
Add: Fresh additions during the half year					6,113.33	
Less: Reductions during the half year*					(4,504.78)	
Closing Balance		6,646.14	94.99	-	6,741.13	

As at March 31, 2023

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	124,934.16	7,444.44	124.60	-	7,569.04	132,503.20
Add: Additions during the year#					13,111.45	
Less: Reductions during the year#*					(13,588.63)	
Closing balance	172,915.55	6,940.06	151.55	0.25	7,091.86	180,007.41
Reductions in Gross NPAs due to:*						
i) Upgradation					1,601.05	
ii) Recoveries (excluding recoveries from upgraded accounts)					5,598.03	
iii) Technical/ Prudential Write-offs					6,077.25	
iv) Write-offs other than those under (iii) above					312.30	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	761.29	2,328.76	107.70	-	2,436.46	3,197.75
Add: Fresh provisions made during the year$					6,846.43	
Less: Excess provision reversed/ Write-offs					6,871.03	
Closing balance of provisions held	1,356.61	2,346.95	64.66	0.25	2,411.86	3,768.47
Net NPAs						
Opening Balance		5,115.68	16.90	-	5,132.58	
Add: Fresh additions during the year					9,567.45	
Less: Reductions during the year*					(10,020.03)	
Closing Balance		4,593.11	86.89	-	4,680.00	

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)
As at March 31, 2022

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	109,809.98	8,003.31	519.11	57.42	8,579.84	118,389.82
Add: Additions during the year#					13,042.35	
Less: Reductions during the year#*					(14,053.15)	
Closing balance	124,934.16	7,444.44	124.60	-	7,569.04	132,503.20
*Reductions in Gross NPAs due to:						
i) Upgradation					2,483.12	
ii) Recoveries (excluding recoveries from upgraded accounts)					5,716.74	
iii) Technical/ Prudential Write-offs					5,526.28	
iv) Write-offs other than those under (iii) above					327.01	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	1,217.89	2,098.64	237.05	57.40	2,393.09	3,610.98
Add: Fresh provisions made during the year $					6,229.72	
Less: Excess provision reversed/ Write-offs					(6,186.35)	
Closing balance of provisions held	761.29	2,328.76	107.70	-	2,436.46	3,197.75
Net NPAs						
Opening Balance		5,904.67	282.06	0.02	6,186.75	
Add: Fresh additions during the year					9,451.82	
Less: Reductions during the year*					(10,505.99)	
Closing Balance		5,115.68	16.90	-	5,132.58	

As at March 31, 2021

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	98,166.27	1,628.82	1,579.28	-	3,208.10	101,374.37
Add: Additions during the year#					8,281.90	
Less: Reductions during the year#*					(2,910.10)	
Closing balance	109,809.98	8,003.31	519.11	57.42	8,579.84	118,389.82
*Reductions in Gross NPAs due to:						
i) Upgradation					414.90	
ii) Recoveries (excluding recoveries from upgraded accounts)					168.20	
iii) Technical/ Prudential Write-offs					2,188.03	
iv) Write-offs other than those under (iii) above					139.00	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	436.80	407.41	1,396.87	-	1,804.28	2,241.08
Add: Fresh provisions made during the year $					2,915.81	
Less: Excess provision reversed/ Write-offs					(2,327.00)	
Closing balance of provisions held	1,217.89	2,098.64	237.05	57.40	2,393.09	3,610.98
Net NPAs						
Opening Balance		1,221.41	182.41	-	1,403.82	
Add: Fresh additions during the year					6,177.70	
Less: Reductions during the year*					(1,394.80)	
Closing Balance		5,904.67	282.06	0.02	6,186.75	

Additions and reductions does not include accounts which turned NPA during a particular month and subsequently moved out of NPA in the same month.

* Balancing figure
$ Represent provision made during the period/year (including write offs) as per the Profit & Loss account.

(All amounts are in Indian Rupees in Million unless otherwise stated)

Floating Provision as at September 30, 2023

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Opening Balance						-
Add: Additional provisions made during the period						-
Less: Amount drawn down during the period						-
Closing balance of floating provisions						-

Floating Provision as at September 30, 2022

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Opening Balance						-
Add: Additional provisions made during the period						-
Less: Amount drawn down during the period						-
Closing balance of floating provisions						-

Floating Provision as at March 31, 2023

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						-

Floating Provision as at March 31, 2022

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						-

Floating Provision as at March 31, 2021

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-performing Advances	
Opening Balance						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions						-

Technical or prudential write offs

Movement in the stock of technical and prudentially written-off accounts and recoveries made thereon is as given below:

Technical or prudential write-offs refer to the amount of non-performing assets which are outstanding in the books of the branches, but have been written-off (fully or partially) at the head office level.

Particulars	As at and for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Opening balance of technical / prudential write-offs accounts	6,828.09	31,366.26	31,366.26	26,638.47	25,226.00
Add: Technical / Prudential write-offs during the period/year	1,069.35	2,521.12	6,077.25	5,526.30	2,188.03
Sub - Total (A)	**7,897.44**	**33,887.38**	**37,443.51**	**32,164.77**	**27,414.03**
Recoveries made from technical/ prudential written off accounts during the period/year	185.85	192.25	706.47	574.20	472.07
Actual Write-offs during the period/year	290.03	636.41	1,751.89	224.31	303.49
Sale of technical write off accounts to ARCs	4,697.31	29,240.27	28,157.06	-	-
Sub - Total (B)	**5,173.19**	**30,068.93**	**30,615.42**	**798.51**	**775.56**
Closing balance (A-B)	**2,724.24**	**3,818.45**	**6,828.09**	**31,366.26**	**26,638.47**

Ratios (in per cent)	As at and for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Gross NPA to Assets Under Management (AUM)*	2.43%	6.19%	3.71%	4.98%	6.73%
Net NPA to Net Assets Under Management (AUM)*	0.87%	4.17%	2.48%	3.43%	4.95%
Gross NPA to Gross Advances	2.44%	6.83%	3.94%	5.71%	7.24%
Net NPA to Net Advances	0.87%	4.60%	2.64%	3.95%	5.33%
Provision coverage ratio (Including Technical write off)	95.46%	84.43%	88.88%	86.82%	82.43%
Provision coverage ratio (Excluding Technical write off)	64.92%	34.14%	34.01%	32.19%	27.89%

* Note: AUM includes gross advances + assets sold under IBPC on risk sharing arrangement

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)
7(b) Sector-wise advances

Sector	As at September 30, 2023		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A . Priority Sector			
1. Agriculture and allied activities	48,546.56	826.27	1.70%
2. Advances to industries sector eligible as priority sector lending	16,455.07	522.76	3.18%
(i) Textiles	1,814.64	62.84	3.46%
3. Services	39,613.53	945.12	2.39%
(i) Retail Trade	14,237.01	397.50	2.79%
4. Personal loans*	64,945.61	2,138.81	3.29%
Sub total (A)#	**169,560.77**	**4,432.96**	**2.61%**
B. Non-Priority Sector			
1. Agriculture and allied activities	0.73	0.39	52.80%
2. Industry	1,015.39	16.17	1.59%
3. Services	21,920.14	402.91	1.84%
(i) NBFCs	12,843.49	-	0.00%
4. Personal loans*	20,974.27	360.73	1.72%
Sub total (B)	**43,910.53**	**780.20**	**1.78%**
Total (A+B)	**213,471.30**	**5,213.16**	**2.44%**

Sector	As at September 30, 2022		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A . Priority Sector			
1. Agriculture and allied activities	30,994.16	1,975.73	6.37%
2. Advances to industries sector eligible as priority sector lending	9,320.32	149.36	1.60%
(i) Food Processing	1,062.19	46.35	4.36%
(ii) Textiles	1,224.50	41.96	3.43%
3. Services	24,840.51	755.12	3.04%
(i) Retail Trade	10,260.84	173.79	1.69%
4. Personal loans*	53,340.71	6,443.30	12.08%
Sub total (A)#	**118,495.70**	**9,323.51**	**7.87%**
B. Non-Priority Sector			
1. Agriculture and allied activities	5.72	4.09	71.50%
2. Industry	630.92	47.98	7.60%
3. Services	8,047.93	572.61	7.11%
(i) NBFCs	6,048.52	-	0.00%
4. Personal loans*	22,739.97	286.60	1.26%
Sub total (B)	**31,424.54**	**911.28**	**2.90%**
Total (A+B)	**149,920.24**	**10,234.79**	**6.83%**

Sector	As at March 31, 2023		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A . Priority Sector			
1. Agriculture and allied activities	41,900.06	1,253.22	2.99%
2. Advances to industries sector eligible as priority sector lending	12,699.62	158.51	1.25%
(i) Food Processing	1,392.11	18.60	1.34%
(ii) Textiles	1,699.24	11.29	0.67%
3. Services	31,725.29	678.51	2.14%
(i) Retail Trade	14,595.14	175.17	1.20%
4. Personal loans*	58,211.30	4,440.26	7.63%
Sub total (A)#	**144,536.27**	**6,530.50**	**4.52%**
B. Non-Priority Sector			
1. Agriculture and allied activities	1.67	1.48	88.62%
2. Industry	482.93	6.34	1.31%
3. Services	17,711.64	375.02	2.12%
(i) NBFCs	12,840.43	-	0.00%
4. Personal loans*	17,274.90	178.53	1.03%
Sub total (B)	**35,471.14**	**561.37**	**1.58%**
Total (A+B)	**180,007.41**	**7,091.87**	**3.94%**

*Personal loan includes housing loans
Priority sectors includes ₹ 35,750 million, in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC).

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

Sector	As at March 31, 2022		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A . Priority Sector			
1. Agriculture and allied activities	25,320.20	1,566.46	6.19%
2. Advances to industries sector eligible as priority sector lending	9,404.46	95.93	1.02%
(i) Textiles	1,212.37	21.06	1.74%
3. Services	13,888.41	418.66	3.01%
(i) Retail Trade	8,213.37	148.27	1.81%
4. Personal loans*	50,098.72	5,154.23	10.29%
Sub total (A)#	**98,711.79**	**7,235.28**	**7.33%**
B. Non-Priority Sector			
1. Agriculture and allied activities	-	-	-
2. Industry	795.10	1.12	0.14%
3. Services	17,500.24	63.13	0.36%
(i) NBFCs	7,604.51	-	0.00%
(ii) Retail Trade	6,637.01	42.36	0.64%
4. Personal loans*	15,496.07	269.51	1.74%
Sub total (B)	**33,791.41**	**333.76**	**0.99%**
Total (A+B)	**132,503.20**	**7,569.04**	**5.71%**

Sector	As at March 31, 2021		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A . Priority Sector			
1. Agriculture and allied activities	16,202.09	1,529.47	9.44%
2. Advances to industries sector eligible as priority sector lending	3,227.40	197.24	6.11%
3. Services	8,265.25	661.95	8.01%
4. Personal loans*	55,443.80	4,478.17	8.08%
Sub total (A)#	**83,138.54**	**6,866.83**	**8.26%**
B. Non-Priority Sector			
1. Agriculture and allied activities	-	-	-
2. Industry	2,560.23	305.07	11.92%
3. Services	15,840.65	309.81	1.96%
(i) NBFCs	6,428.42	-	0.00%
(ii) Retail Trade	4,080.10	155.17	3.80%
4. Personal loans*	16,850.40	1,098.06	6.52%
Sub total (B)	**35,251.28**	**1,712.94**	**4.86%**
Total (A+B)	**118,389.82**	**8,579.77**	**7.25%**

*Personal loan includes housing loans

Priority sectors includes ₹ 10,100 million, in respect of which the Bank has sold Priority Sector Lending Certificates (PSLC).

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system/reports, which has been furnished by the Management and has been relied upon by the auditors.

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)
7(c) Overseas Assets, NPAs and Revenue

The Bank does not hold any overseas assets / NPA as at September 30, 2023 and no overseas operations were undertaken during the period ended September 30, 2023 and hence revenue from overseas operation is Nil. (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil)

7(d) Details of Resolution Plan implemented under Prudential Framework for Resolution of Stressed Assets

There were no accounts that have been restructured under prudential framework on resolution of stressed assets as per the circular no. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 07, 2019 during the period ended September 30, 2023 (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil).

7(e) Divergence in the asset classification and provisioning

RBI vide its circular DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017 and Notification dated April 01, 2019, has directed banks shall make suitable disclosures, if either or both of the following conditions are satisfied:

(a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and

(b) the additional Gross NPAs identified by RBI exceed 10 per cent of the published incremental Gross NPAs for the reference period.

An inspection for supervisory evaluation u/s 35 of Banking Regulation Act, 1949 for the financial year ended March 31, 2019 was conducted by the RBI. As per the inspection report received from the RBI, there were no material divergence for the financial year 2018-19 in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) hence no disclosure is required.

The Bank has been subjected to annual financial inspection (AFI) by the RBI during the financial year 2022-23 with respect to financial year 2021-22. There has been no material divergence observed by the RBI on the Bank's asset classification and provisioning under the prudential norms on income recognition asset classification and provisioning that require such disclosures.

7(f) Details of Non-Performing Financial Assets Purchased / Sold
Details of loans transferred excluding through Inter-Bank Participation Certificate (IBPC) during the half year ended September 30, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

The Bank has not purchased any non performing financial assets during the half year ended September 30, 2023.

During the half year ended September 30, 2023 the Bank has sold non performing assets as below.

Particulars Non-Performing Assets sold	**To ARCs**	**To permitted transferees**	**To other transferees (please specify)**
No. of accounts	344,119	-	-
Aggregate principal outstanding of loans transferred	9,679	-	-
Weighted average residual tenor of the loans transferred	0.90	-	-
Net book value of loans transferred (at the time of transfer)	3,352.07	-	-
Aggregate consideration	3,355.50	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
Quantum of Excess provision reversed to Profit and Loss Account	-	-	-

During the half year ended September 30, 2022 the Bank has sold non performing assets as below.

Particulars Non-Performing Assets sold	**To ARCs**	**To permitted transferees**	**To other transferees (please specify)**
No. of accounts	517	-	-
Aggregate principal outstanding of loans transferred	923.19	-	-
Weighted average residual tenor of the loans transferred	14.38	-	-
Net book value of loans transferred (at the time of transfer)	711.84	-	-
Aggregate consideration	766.20	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
Quantum of Excess provision reversed to Profit and Loss Account	-	-	-

During the year ended March 31, 2023 the Bank has sold non-performing assets as below.

Particulars Non-Performing Assets sold	**To ARCs**	**To permitted transferees**	**To other transferees (please specify)**
No. of accounts	2,102	-	-
Aggregate principal outstanding of loans transferred	3,054.08	-	-
Weighted average residual tenor of the loans transferred (in months)	134.90	-	-
Net book value of loans transferred (at the time of transfer)	2,414.10	-	-
Aggregate consideration	2,542.80	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
Quantum of Excess provision reversed to Profit and Loss Account	-	-	-

During the year ended March 31, 2022 the Bank has sold non performing assets as below. (March 31, 2021: Nil)

Particulars Non-Performing Assets sold	**To ARCs**	**To permitted transferees**	**To other transferees (please specify)**
No. of accounts	911	-	-
Aggregate principal outstanding of loans transferred	1,314.89	-	-
Weighted average residual tenor of the loans transferred (in months)	130.24	-	-
Net book value of loans transferred (at the time of transfer)	981.82	-	-
Aggregate consideration	1,088.50	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-
Quantum of Excess provision reversed to Profit and Loss Account	-	-	-

The Bank has not purchased / transferred any Special Mention Account (SMA) and loan not in default. (March 31, 2021: Nil)
The Bank has not acquired any loans through assignment. (March 31, 2021: Nil)
The Bank has not acquired any stressed loan. (March 31, 2021: Nil)

7(g) Fraud accounts

Particulars	**For the half year ended**		**For the year ended**		
	September 30, 2023	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Number of cases Reported	231	433	891	772	573
Opening Balance	15.32	17.26	17.26	65.12	109.47
Amount of Fraud	8.09	12.23	22.91	55.63	37.77
Recovery / Write off of provision	(8.98)	(11.60)	(24.85)	(103.49)	(82.12)
Closing Balance*	**14.43**	**17.89**	**15.32**	**17.26**	**65.12**
Unamortised provision debited from 'other reserves' as at the end of the period/year	Nil	Nil	Nil	Nil	Nil

* Note: Includes reclass of fraud provision to 'Annexure 14 - Net advances' (provision for non-performing asset) amounting to ₹ 49.83 million for the year ended March 31, 2021.

(All amounts are in Indian Rupees in Million unless otherwise stated)

7(h) Disclosure under Resolution Framework for COVID-19 related stress

The disclosure requirements as required by RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) as at September 30, 2023 is given below for the half year ending September 30, 2023:

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e March 31, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended September 30, 2023	Of (A) amount written off during the half-year#	Of (A) amount paid by the borrowers during the half year^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	314.80	63.62	3.38	37.76	213.42
Corporate Loans*	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	443.09	131.94	0.01	121.53	189.62
Total	**757.89**	**195.56**	**3.39**	**159.29**	**403.04**

The disclosure requirements as required by RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) as at September 30, 2022 is given below for the half year ending September 30, 2022:

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e March 31, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended September 30, 2022	Of (A) amount written off during the half-year#	Of (A) amount paid by the borrowers during the half year^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	996.10	333.78	14.33	118.71	543.61
Corporate Loans*	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	2,575.96	879.32	42.05	462.31	1,234.33
Total	**3,572.06**	**1,213.10**	**56.38**	**581.02**	**1,777.94**

The disclosure requirements as required by RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) as at March 31, 2023 is given below for the half year ending March 31, 2023:

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2023	Of (A) amount written off during the half-year ended March 31, 2023#	Of (A) amount paid by the borrowers during the half year ended March 31, 2023^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ended March 31, 2023
Personal Loans	543.60	137.00	0.40	92.10	314.50
Corporate Loans*	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	1,234.30	382.20	1.50	410.10	442.00
Total	**1,777.90**	**519.20**	**1.90**	**502.20**	**756.50**

The disclosure requirements as required by RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 5, 2021 (Resolution Framework 2.0) as at March 31, 2022 is given below for the half year ending March 31, 2022:

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year i.e September 30, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year ended March 31, 2022#	Of (A) amount paid by the borrowers during the half year ended March 31, 2022^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ended March 31, 2022
Personal Loans	1,552.29	359.20	106.13	197.04	996.10
Corporate Loans*	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	5,778.13	2,007.70	321.68	1,194.48	2,575.96
Total	**7,330.42**	**2,366.90**	**427.81**	**1,391.52**	**3,572.06**

*As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016

represents debt that slipped into NPA and was subsequently written off during the half-year

^ includes change in balances on account of interest

7(i) Particulars of accounts restructured for 'Micro, Small and Medium Enterprises (MSME) sector based on RBI guidelines dated January 01, 2019 and further extended by RBI circular dated February 11, 2020 & August 06, 2020.

The Bank has restructured accounts as below.

Particulars*	**As at and for the half year ended**		**As at and for the year ended**		
	September 30, 2023	**September 30, 2022**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
No of Accounts Restructured	1,079	3,507	1,859	6,407	8,001
Outstanding Amount	919.64	1,696.83	1,105.44	2,504.66	1,184.19
Provision Amount	80.57	142.32	95.42	202.46	59.21

* Represents active accounts

(All amounts are in Indian Rupees in Million unless otherwise stated)

8. Disclosures relating to securitisation

Details of Sales

During the period/year ended September 30, 2023, September 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021 the Bank has entered into securitisation transactions other than direct assignments (as mentioned below) in accordance with the guidelines issued by the RBI.

Particular	As at and for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
(i) No. of Special Purpose Entities (SPEs) holding assets for securitisation transactions originated by the Bank during the period/year	1	2	2	-	-
(ii) Total amount of securitised assets as per books of the SPEs (outstanding as on balance sheet date)	2,323.00	3,021.70	1,881.01	417.44	415.50
(iii) Total amount of exposures retained by the Bank to comply with minimum retention requirement (MRR) as on the date of balance sheet	489.51	342.56	342.56	-	-
(a) Off Balance Sheet Exposure	313.06	168.69	168.69	-	-
First loss	313.06	168.69	168.69	-	-
Others	-	-	-	-	-
(b) On Balance Sheet Exposure	221.57	173.87	173.87	-	-
First loss	221.57	173.87	173.87	-	-
Others	-	-	-	-	-
(iv) Amount of exposures to securitisation transaction other than MRR	414.26	233.80	233.80	-	-
(a) Off Balance Sheet Exposure	414.26	233.80	233.80	-	-
I.Exposure to own Securitisations	414.26	233.80	233.80	-	-
First loss	414.26	233.80	233.80	-	-
Others (Guarantees provided by banks	-	-	-	-	-
II.Exposure to Third Party Securitisations	-	-	-	-	-
First loss	-	-	-	-	-
Others	-	-	-	-	-
(b) On Balance Sheet Exposure	-	-	-	-	-
I.Exposure to own Securitisations	-	-	-	-	-
First loss	-	-	-	-	-
Others (Guarantees provided by banks	-	-	-	-	-
II.Exposure to Third Party Securitisations	-	-	-	-	-
First loss	-	-	-	-	-
Others	-	-	-	-	-
(v) Sale consideration received for the	1,479.77	2,971.30	2,971.29	-	-
(vi) Gain/loss on sale on account of securitisation			-	-	-
(vii) Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	Nil	Nil	Nil	Nil	Nil
(viii)Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.					
(a) Amount paid	Nil	Nil	Nil	Nil	Nil
(b) Repayment received	Nil	Nil	Nil	Nil	Nil
(c) Outstanding amount	Nil	Nil	Nil	Nil	Nil
(ix)Average default rate of portfolios observed in the past.	Nil	3.65%	3.65%	Nil	Nil
(x)Amount and number of additional/top up loan given on same underlying asset.	Nil	Nil	Nil	Nil	Nil
(xi)Investor complaints:					
(a) Directly/Indirectly received	Nil	Nil	Nil	Nil	Nil
(b) Complaints outstanding	Nil	Nil	Nil	Nil	Nil

Details of direct assignment transactions

The details of direct assignment activity of the Bank as an originator as per RBI guidelines to the Guidelines on Securitisation is given below.

Particular	for the half year ended		for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
(i) No. of accounts	3,657	398	3,544	652	-
(ii) Aggregate value of accounts sold to Securisation Company	4,226.49	706.85	5,144.87	26.63	-
(iii) Aggregate consideration	4,226.49	706.85	5,144.87	26.63	-
(iv) Aggregate gain / loss over net book value	-	-	-	-	-

Details of book value of investment in security receipts (SRs) backed by NPAs

Outstanding value of investments in Security Receipts as on September 30, 2023, ₹ 4,763.90 million (September 30, 2022: ₹ 1,463.64 million, March 31, 2023: ₹ 2,766.12 million, March 31, 2022: ₹ 925.23 million, March 31, 2021: Nil).

(All amounts are in Indian Rupees in Million unless otherwise stated)

9. Exposures

9(a) Exposure to real estate sector

Category	for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
A) Direct exposure	**29,580.44**	**21,490.52**	**24,173.40**	**17,532.13**	**14,574.23**
(i) Residential mortgages*	29,580.44	21,490.52	24,173.40	17,532.13	14,574.23
(of which housing loans eligible for inclusion in priority sector advances)	19,537.25	15,878.97	16,567.50	12,548.21	6,900.50
(ii) Commercial real estate			-	-	-
(iii) Investments in mortgage backed securities (MBS) and other securitised exposure	-	-	-	-	-
a) Residential	-	-	-	-	-
b) Commercial real estate	-	-	-	-	-
B) Indirect exposure	**-**	**-**	**-**	**-**	**-**
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies (HFCs).	-	-	-	-	-

* Note: Includes only housing loan

9(b) Exposure to Capital Market

During the period ended September 30, 2023, the Bank has 'Nil' exposure to capital market instruments (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022 : Nil). The Bank has written off investments in equity shares of Alpha Micro Finance Consultants Private Limited, 100,000/- shares of ₹ 10 each fully paid up full paid up aggregating to ₹ 10 million during the year ended March 31, 2021.

9(c) Risk Category wise Country Exposure

The Bank's exposures are concentrated in India, hence country risk exposure as at September 30, 2023: Nil (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022 : Nil, March 31, 2021: Nil).

9(d) Unsecured Advances

Particular	As at				
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Total unsecured advances of the Bank	91,659.94	64,000.59	79,541.13	59,426.72	66,959.66
Out of the above, amount of advances for which intangible securities such as charge over the	-	-	-	-	-
Estimated value of such intangible securities	-	-	-	-	-

9(e) Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank

During the period/year ended September 30, 2023, September 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, the Bank's credit exposures to single borrowers and group borrowers were within the limits prescribed under extant RBI guidelines.

9(f) Factoring Exposure

The Bank does not have any factoring exposure as at September 30, 2023 (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022 : Nil, March 31, 2021: Nil).

9(g) Intra Group Exposure

The Bank does not have any intra group exposure as at September 30, 2023 (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022 : Nil, March 31, 2021: Nil).

9(h) Unhedged Foreign currency Exposure

The Bank doesn't have any unhedged foreign currency exposure as at September 30, 2023 (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil)

10. Concentration of Deposits, Advances, Exposures and NPAs

10(a) Concentration of deposits

Particulars	As at				
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Total deposits of twenty largest depositors	29,337.68	17,911.44	23,820.60	17,861.03	15,571.65
Percentage of deposits of twenty largest depositors to total deposits of the Bank	15.49%	12.64%	14.58%	13.19%	12.64%

10(b) Concentration of advances

Particulars	As at				
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Total advances to twenty largest borrowers*	11,355.87	9,665.99	11,219.24	8,150.78	6,031.19
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	5.32%	6.41%	6.23%	6.17%	5.11%

*Note: Advances comprise credit exposure (funded and non-funded credit limits) including derivative transactions if any, computed as per current exposure method in accordance with RBI guidelines.

10(c) Concentration of Exposures

Particulars	As at				
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Total exposure to twenty largest borrowers / customers*	11,355.87	9,665.99	11,219.24	8,150.78	6,031.19
Percentage of exposure of twenty largest borrowers / customers to total exposure of the Bank on borrowers / customers	5.32%	6.41%	6.23%	6.17%	5.11%

*Note: Exposures comprise credit exposure (funded and non-funded credit limits) including derivative transactions and investment exposure if any, in accordance with RBI guidelines.

10(d) Concentration of NPAs

Particulars	As at				
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Total Exposure to the top twenty NPA accounts	535.60	352.44	333.33	149.96	198.25
Percentage of exposures to the twenty largest	10.27%	3.44%	4.70%	1.98%	2.31%

(All amounts are in Indian Rupees in Million unless otherwise stated)

11. Asset Liability Management (ALM)

Assets and liabilities are classified in the maturity buckets as per the guidelines issued by the RBI.

As at September 30, 2023	Deposits	Advances*	Investments	Borrowings	Balances with banks and money at call and short notice	Foreign currency assets	Foreign currency liabilities
Day - 1	635.17	59.76	19,717.87	-	228.40	-	-
2 to 7 Days	4,827.08	2,081.25	748.10	10.00	-	-	-
8 to 14 Days	3,866.17	600.46	614.67	123.80	-	-	-
15 to 30 Days	5,533.84	(136.67)	1,112.48	-	-	-	-
31 Days and up to 2 months	6,791.33	11,810.38	1,240.00	1,890.40	-	-	-
More than 2 months and up to 3 months	7,538.28	2,943.17	1,348.74	165.50	-	-	-
Over 3 months and up to 6 months	18,238.11	19,565.44	2,717.55	5,666.92	-	-	-
Over 6 months and up to 1 year	54,526.16	38,624.35	9,242.24	19,017.14	104.65	-	-
Over 1 Year and up to 3 years	84,495.61	54,054.36	12,665.19	23,096.68	14.88	-	-
Over 3 Years and up to 5 years	2,864.16	15,348.37	5,677.61	3,164.16	5.00	-	-
Over 5 years	51.33	65,136.23	7.49	0.83	-	-	-
Total	**189,367.24**	**210,087.10**	**55,091.94**	**53,135.43**	**352.93**	-	-

As at September 30, 2022	Deposits	Advances*	Investments	Borrowings	Balances with banks and money at call and short notice	Foreign currency assets	Foreign currency liabilities
Day - 1	759.22	693.06	40,656.67	20.52	108.44	-	-
2-7 Days	2,806.98	1,100.77	747.15	2,106.50	1,000.00	-	-
8-14 Days	4,020.03	422.78	624.64	94.60	-	-	-
15-30 Days	3,108.04	522.22	601.78	-	-	-	-
31 Days and up to 2 months	7,228.83	(753.46)	1,225.63	1,302.20	-	-	-
More than 2 months and up to 3 months	5,349.66	1,781.61	950.46	85.60	-	-	-
Over 3 months and up to 6 months	13,083.91	14,309.78	1,952.73	4,510.62	1,531.49	-	-
Over 6 months and up to 1 year	35,894.42	30,416.90	5,442.12	9,154.54	56.95	-	-
Over 1 Year and up to 3 years	62,562.09	34,915.50	10,611.65	35,498.68	133.60	-	-
Over 3 Years and up to 5 years	6,778.27	16,721.99	1,170.04	7,114.16	2.50	-	-
Over 5 years	86.07	46,295.34	12.55	104.94	2.50	-	-
Total	**141,677.52**	**146,426.49**	**63,995.42**	**59,992.36**	**2,835.48**	-	-

As at March 31, 2023	Deposits	Advances*	Investments	Borrowings	Balances with banks and money at call and short notice	Foreign currency assets	Foreign currency liabilities
Day - 1	768.61	84.20	25,458.80	-	9,034.30	-	-
2 to 7 Days	4,199.00	(2,810.30)	592.60	70.00	-	-	-
8 to 14 Days	3,761.95	612.20	530.90	123.80	-	-	-
15 to 30 Days	2,910.56	2,534.00	559.60	-	-	-	-
31 Days and up to 2 months	4,888.85	4,598.50	914.60	2,690.40	56.95	-	-
More than 2 months and up to 3 months	6,254.41	4,633.90	989.00	665.50	1,533.78	-	-
Over 3 months and up to 6 months	20,181.46	15,118.60	2,716.80	6,066.92	-	-	-
Over 6 months and up to 1 year	40,088.22	30,781.15	5,401.26	9,767.14	116.98	-	-
Over 1 Year and up to 3 years	75,861.50	50,318.50	11,364.99	39,062.78	16.68	-	-
Over 3 Years and up to 5 years	4,347.18	16,166.30	3,673.50	4,264.16	2.50	-	-
Over 5 years	78.42	55,558.50	10.20	63.90	2.50	-	-
Total	**163,340.16**	**177,595.55**	**52,212.25**	**62,774.60**	**10,763.69**	-	-

As at March 31, 2022	Deposits	Advances*	Investments	Borrowings	Balances with banks and money at call and short notice	Foreign currency assets	Foreign currency liabilities
Day - 1	524.91	443.36	28,869.60	-	50.64	-	-
2-7 Days	4,141.90	(3,301.26)	642.27	114.50	-	-	-
8-14 Days	3,186.40	(2,235.93)	491.26	25.00	-	-	-
15-30 Days	2,710.60	2,187.24	458.61	-	-	-	-
31 Days and up to 2 months	6,599.19	(574.18)	1,117.63	918.30	-	-	-
More than 2 months and up to 3 months	7,769.49	3,837.90	1,249.67	525.00	-	-	-
Over 3 months and up to 6 months	14,897.20	9,685.55	2,123.18	3,725.50	-	-	-
Over 6 months and up to 1 year	34,466.21	24,895.01	5,053.72	4,824.40	-	-	-
Over 1 Year and up to 3 years	56,285.82	41,675.53	9,445.20	26,818.02	15.09	-	-
Over 3 Years and up to 5 years	4,693.10	14,692.90	1,079.62	7,164.20	-	-	-
Over 5 years	90.10	38,760.62	121.85	983.40	5.00	-	-
Total	**135,364.92**	**130,066.74**	**50,652.61**	**45,098.32**	**70.73**	-	-

As at March 31, 2021	Deposits	Advances*	Investments	Borrowings	Balances with banks and money at call and short notice	Foreign currency assets	Foreign currency liabilities
Day - 1	279.66	135.10	26,895.70	20.52	145.20	-	-
2-7 Days	1,898.01	1,644.29	347.84	294.50	-	-	-
8-14 Days	1,670.66	(735.23)	276.10	-	-	-	-
15-30 Days	2,618.25	5,565.88	501.28	-	-	-	-
31 Days and up to 2 months	6,228.05	4,693.77	1,045.00	2,080.00	-	-	-
More than 2 months and up to 3 months	7,262.93	3,289.46	1,223.43	182.78	39.70	-	-
Over 3 months and up to 6 months	18,048.25	11,310.73	2,714.64	4,716.80	1,061.03	-	-
Over 6 months and up to 1 year	29,640.62	24,856.35	4,752.61	6,191.60	53.70	-	-
Over 1 Year and up to 3 years	50,929.29	30,292.31	8,217.73	20,633.75	40.11	-	-
Over 3 Years and up to 5 years	4,495.50	11,341.36	990.11	13,684.68	-	-	-
Over 5 years	91.36	23,602.71	13.41	348.56	5.10	-	-
Total	**123,162.58**	**115,996.73**	**46,977.85**	**48,153.19**	**1,344.84**	-	-

Note: Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the RBI.

* Amounts disclosed are net off provision for non-performing assets.

*Negative number in advances indicates amount due under Inter-Bank Participation Certificate with risk sharing.

JANA SMALL FINANCE BANK LIMITED

Annexures forming part of Restated Summary Statements

(All amounts are in Indian Rupees in Million unless otherwise stated)

12. Liquidity Coverage Ratio

Quantitative information on Liquidity coverage ratio (LCR) is given below:

Particulars	June 30, 2023		September 30, 2023	
	Total unweighted value (average)*	Total weighted value (average)	Total unweighted value (average)*	Total weighted value (average)
1 Total High Quality Liquid Assets (HQLA)	46,365.66	46,365.66	47,104.41	47,104.41
Cash Outflows				
2 Retail deposits and deposits from small business customers, of which:	96,606.85	6,547.05	101,314.44	9,145.14
(i) Stable deposits	62,272.74	3,113.64	19,726.00	986.30
(ii) Less stable deposits	34,334.11	3,433.41	81,588.44	8,158.84
3 Unsecured wholesale funding, of which:	12,143.32	1,160.58	11,264.86	2,209.34
(i) Operational deposits (all counterparties)	-	-	-	-
(ii) Non-operational deposits (all counterparties)	12,143.32	1,160.58	11,264.86	2,209.34
(iii) Unsecured debt	-	-	-	-
4 Secured wholesale funding	2,427.33	2,427.33	1,088.89	1,088.89
5 Additional requirements, of which	1,179.69	58.98	1,330.23	66.51
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-
(iii) Credit and liquidity facilities	1,179.69	58.98	1,330.23	66.51
6 Other contractual funding obligation	1,781.34	1,781.34	2,062.25	2,062.25
7 Other contingent funding obligations	409.10	19.71	804.76	39.05
8 Total cash outflows	**114,547.63**	**11,994.99**	**117,865.43**	**14,611.18**
Cash Inflows				
9 Secured lending (e.g. reverse repo)	-	-	-	-
10 Inflows from fully performing exposures	10,121.31	5,060.66	11,617.28	6,133.89
11 Other cash inflows	7.46	7.46	4.14	4.14
12 Total cash inflows	**10,128.77**	**5,068.12**	**11,621.42**	**6,138.03**
21 Total HQLA	**46,365.66**	**46,365.66**	**47,104.41**	**47,104.41**
22 Total Net Cash Outflows	**104,418.86**	**6,926.87**	**106,244.01**	**8,473.15**
23 Liquidity Coverage Ratio (%)		**669.36%**		**555.93%**

Particulars	June 30, 2022		September 30, 2022		December 31, 2022		March 31, 2023	
	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)
1 Total High Quality Liquid Assets (HQLA)	45,715.07	45,715.07	52,372.65	52,372.65	49,144.33	49,144.33	44,149.78	44,149.78
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	81,154.60	5,545.99	84,134.82	5,722.10	88,295.12	5,995.56	92,094.33	6,224.34
(i) Stable deposits	51,389.54	2,569.48	53,827.62	2,691.38	56,678.88	2,833.94	59,701.78	2,985.09
(ii) Less stable deposits	29,765.06	2,976.51	30,307.20	3,030.72	31,616.24	3,161.62	32,392.55	3,239.25
3 Unsecured wholesale funding, of which:	11,098.35	1,062.04	10,813.03	1,032.30	11,962.47	1,146.01	13,561.87	1,304.20
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	11,098.35	1,062.04	10,813.03	1,032.30	11,962.47	1,146.01	13,561.87	1,304.20
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding	4,369.28	4,369.28	4,434.16	4,434.16	2,025.60	2,025.60	3,068.14	3,068.14
5 Additional requirements, of which	1,056.40	52.82	1,087.70	54.38	1,080.24	54.01	1,078.88	53.94
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	1,056.40	52.82	1,087.70	54.38	1,080.24	54.01	1,078.88	53.94
6 Other contractual funding obligation	1,194.78	1,194.78	1,828.98	1,828.98	769.12	769.12	1,809.73	1,809.73
7 Other contingent funding obligations	372.15	17.85	343.70	16.41	343.70	16.41	349.41	16.69
8 Total cash outflows	**99,245.56**	**12,242.76**	**102,642.39**	**13,088.33**	**104,476.25**	**10,006.71**	**111,962.36**	**12,477.04**
Cash Inflows								
9 Secured lending (e.g. reverse repo)	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	6,238.99	3,119.50	6,869.10	3,434.55	8,582.15	4,291.08	7,650.10	3,825.05
11 Other cash inflows	5.62	5.62	3.93	3.93	3.84	3.84	2.78	2.78
12 Total cash inflows	**6,244.61**	**3,125.12**	**6,873.03**	**3,438.48**	**8,585.99**	**4,294.92**	**7,652.88**	**3,827.83**
21 Total HQLA	**45,715.07**	**45,715.07**	**52,372.65**	**52,372.65**	**49,144.33**	**49,144.33**	**44,149.78**	**44,149.78**
22 Total Net Cash Outflows	**93,000.95**	**9,117.64**	**95,769.36**	**9,649.85**	**95,890.26**	**5,711.79**	**104,309.48**	**8,649.21**
23 Liquidity Coverage Ratio (%)		**501.39%**		**542.73%**		**860.40%**		**510.45%**

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)
12. Liquidity Coverage Ratio contd..

Particulars	June 30, 2021		September 30, 2021		December 31, 2021		March 31, 2022	
	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)
1 Total High Quality Liquid Assets (HQLA)	66,886.51	66,886.51	58,951.78	58,951.78	56,897.14	56,897.14	48,079.06	48,079.06
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	74,206.03	4,990.77	76,610.26	5,162.47	78,842.68	5,383.88	78,715.84	5,338.27
(i) Stable deposits	48,596.75	2,429.84	49,971.14	2,498.56	50,007.65	2,500.38	50,666.25	2,533.31
(ii) Less stable deposits	25,609.28	2,560.93	26,639.12	2,663.91	28,835.03	2,883.50	28,049.59	2,804.96
3 Unsecured wholesale funding, of which:	10,740.54	1,040.01	10,358.58	969.62	10,544.91	1,016.01	9,978.44	954.36
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	10,740.54	1,040.01	10,358.58	969.62	10,544.91	1,016.01	9,978.44	954.36
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding	1,207.73	1,207.73	968.66	968.66	3,384.12	3,384.12	2,741.18	2,741.18
5 Additional requirements, of which	607.07	30.35	551.41	27.57	703.49	35.17	858.75	42.94
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	607.07	30.35	551.41	27.57	703.49	35.17	858.75	42.94
6 Other contractual funding obligation	3,504.91	3,504.91	2,679.40	2,679.40	1,120.90	1,120.90	2,597.10	2,597.10
7 Other contingent funding obligations	374.43	18.32	396.60	19.08	396.60	19.08	396.60	19.08
8 Total cash outflows	**90,640.71**	**10,792.09**	**91,564.91**	**9,826.80**	**94,992.70**	**10,959.16**	**95,287.91**	**11,692.93**
Cash Inflows								
9 Secured lending (e.g. reverse repo)	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	6,966.98	3,483.49	7,354.68	3,677.34	7,382.83	3,691.42	6,055.55	3,027.77
11 Other cash inflows	10.25	10.25	2.38	2.38	9.93	9.93	3.92	3.92
12 Total cash inflows	**6,977.23**	**3,493.74**	**7,357.06**	**3,679.72**	**7,392.76**	**3,701.35**	**6,059.47**	**3,031.69**
21 Total HQLA	**66,886.51**	**66,886.51**	**58,951.78**	**58,951.78**	**56,897.14**	**56,897.14**	**48,079.06**	**48,079.06**
22 Total Net Cash Outflows	**83,663.48**	**7,298.35**	**84,207.85**	**6,147.08**	**87,599.94**	**7,257.81**	**89,228.44**	**8,661.24**
23 Liquidity Coverage Ratio (%)		**916.46%**		**959.02%**		**783.94%**		**555.11%**

JANA SMALL FINANCE BANK LIMITED

Annexures forming part of Restated Summary Statements

(All amounts are in Indian Rupees in Million unless otherwise stated)

12. Liquidity Coverage Ratio contd..

Particulars	June 30, 2020		September 30, 2020		December 31, 2020		March 31, 2021	
	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)	Total unweighted value	Total weighted value (average)
1 Total High Quality Liquid Assets (HQLA)	29,622.10	29,622.10	46,257.50	46,257.50	45,006.72	45,006.72	57,080.31	57,080.31
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:	50,962.50	3,754.80	55,974.30	3,709.00	59,624.28	3,928.18	67,188.09	4,443.60
(i) Stable deposits	26,829.80	1,341.50	37,768.80	1,888.40	40,684.86	2,034.24	45,504.33	2,275.22
(ii) Less stable deposits	24,132.70	2,413.30	18,205.50	1,820.60	18,939.42	1,893.94	21,683.76	2,168.38
3 Unsecured wholesale funding, of which:	9,435.10	910.80	10,451.50	1,013.20	8,492.08	794.80	8,367.16	809.03
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	9,435.10	910.80	10,451.50	1,013.20	8,492.08	794.80	8,367.16	809.03
(iii) Unsecured debt	-	-	-	-	-	-	-	-
4 Secured wholesale funding	2,335.70	2,335.70	1,370.90	1,370.90	2,628.26	2,628.26	926.07	926.07
5 Additional requirements, of which	454.80	157.20	199.40	10.00	253.35	12.67	486.13	24.31
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	454.80	157.20	199.40	10.00	253.35	12.67	486.13	24.31
6 Other contractual funding obligation	1,129.20	1,129.20	1,698.90	1,698.90	1,736.11	1,736.11	2,401.92	2,401.92
7 Other contingent funding obligations	380.90	18.80	371.60	18.30	371.60	18.33	371.60	18.33
8 Total cash outflows	**64,698.20**	**8,306.50**	**70,066.60**	**7,820.30**	**73,105.68**	**9,118.35**	**79,740.97**	**8,623.26**
Cash Inflows								
9 Secured lending (e.g. reverse repo)	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	2,438.90	1,270.80	5,573.10	2,849.30	6,597.65	3,298.82	7,404.62	3,702.31
11 Other cash inflows	0.50	0.50	0.10	0.10	240.44	240.44	164.45	164.45
12 Total cash inflows	**2,439.40**	**1,271.30**	**5,573.20**	**2,849.40**	**6,838.09**	**3,539.26**	**7,569.07**	**3,866.76**
21 Total HQLA	**29,622.10**	**29,622.10**	**46,257.50**	**46,257.50**	**45,006.72**	**45,006.72**	**57,080.31**	**57,080.31**
22 Total Net Cash Outflows	**62,258.80**	**7,035.20**	**64,493.40**	**4,970.90**	**66,267.59**	**5,579.09**	**72,171.90**	**4,756.50**
23 Liquidity Coverage Ratio (%)		**421.06%**		**930.57%**		**806.70%**		**1200.05%**

Notes:

*Average weighted and unweighted amounts are calculated taking three point averages for all quarters for the relevant period and not as simple average based on daily observation for the respective quarters. As on date balances have been considered to compute the monthly averages which in turn is used as an average for the quarter.

The disclosure of average weighted and unweighted amounts are calculated as simple average based on daily observation for the respective quarters.

Qualitative disclosure on LCR

1. The Liquidity Coverage Ratio (LCR) is a global minimum standard for bank liquidity. It aims to ensure that a bank has an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted into cash immediately to meet its liquidity needs for a 30 calendar day liquidity under stress scenario.

2. The LCR is calculated by dividing the amount of high quality liquid unencumbered assets (HQLA) by the estimated net outflows over 30 calendar day period. The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities (deposits, unsecured and secured wholesale borrowings), as well as to undrawn commitments and derivatives-related exposures, partially offset by inflows from assets maturing within 30 days.

3. The Bank has started submitting LCR reports to RBI from March 2018. Currently the Liquidity Coverage Ratio is higher than minimum regulatory threshold. The Bank follows the criteria laid down by the RBI for month end calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-days period (subject to Note* mentioned above). HQLA predominantly comprises Government securities in excess of minimum SLR and CRR requirement viz. Treasury Bills, Central government securities, marginal liquidity facility allowed by RBI under marginal standing facility (MSF) and facility to avail liquidity for liquidity coverage ratio (FALLCRR). Bank is presently funded through deposits, IBPC and long term borrowings viz Debentures, Term loans and money market operations. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation.

4. The Bank classifies all the deposits from non-natural persons into Non-operational deposits (all counterparties) under 'Unsecured Wholesale Funding'.

5. The Bank is unable to substantiate whether the contractual inflows from the outstanding exposures pertained to fully performing advances without any reason to expect any default within the 30-day time horizon.

(All amounts are in Indian Rupees in Million unless otherwise stated)

13. Contingent liabilities

Contingent liabilities	As at				
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Income tax liability	559.72	307.46	559.66	304.69	359.09
Guarantees given on behalf of constituents	327.83	26.50	26.50	25.00	25.00
Others	149.03	73.87	185.59	87.74	90.50
Total	**1,036.58**	**407.83**	**771.75**	**417.43**	**474.59**

In February 2019, the Honourable Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). The Bank has been legally advised that there are interpretative challenges on the application of judgement retrospectively and as such does not consider there is any probable obligations for past periods. Due to imperative challenges, the Bank has not disclosed contingent liability amount for past liability.

Description of contingent liabilities

1. Claims against the Bank not acknowledged as debts – taxation	The Bank is a party to various taxation matters in respect of which appeals are pending. The Bank expects the outcome of the appeals to be favourable based on decisions on similar issues in the previous years by the appellate authorities, based on the facts of the case and taxation laws.
2. Claims against the Bank not acknowledged as debts – others	The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
3. Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the Bank issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.
4. Other items for which the Bank is contingently liable	These include: a) Guarantees given by Bank b) Credit enhancements in respect of securitised-out loans; c) Bills rediscounted by the Bank and d) Capital commitments.

14. Employee benefits
Employment benefits - Gratuity

The Bank has non-contributory defined benefit arrangement providing gratuity benefits expressed in terms of final monthly salary and years of service. Bank provides for gratuity as per the provisions of Payment of Gratuity Act, 1972, as amended. The scheme is funded with Life Insurance Corporation of India. The following tables summarise the components of net benefit expense recognised in the Profit and Loss Account and the funded status and amounts recognised in the Balance Sheet.

The defined gratuity benefit plans are valued by an independent actuary as at the Balance Sheet date using the projected unit credit method as per the requirement of AS-15.

During the period/year ended September 30, 2023, September 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, the Bank had 'Nil' unamortised gratuity and pension liability.

Expenses recognised in the Profit and Loss Account

Particulars	for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Current service cost	21.00	22.26	44.66	31.72	26.20
Interest cost on benefit obligation	(0.79)	(0.11)	(0.21)	1.13	(1.06)
Past service cost vested benefit recognised during the period/year	-	-	-	-	-
Net actuarial loss recognized in the period/year	48.00	14.44	19.62	50.84	62.71
Employer Expenses	**68.21**	**36.59**	**64.07**	**83.69**	**87.85**

Net Liability/ (Asset) recognised in the Balance Sheet

Particulars	for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Present value of Defined Benefit Obligation	288.71	229.73	239.97	230.26	182.18
Fair value of plan assets	288.49	257.10	261.55	234.43	153.74
Net (asset) / liability recognized in balance sheet	0.22	(27.37)	(21.58)	(4.17)	28.44
Less: Unrecognised Past Service Cost	-	-	-	-	-
(Asset)/Liability recognized in balance sheet	**0.22**	**(27.37)**	**(21.58)**	**(4.17)**	**28.44**

Reconciliation of Defined Benefit Obligation (DBO)

Particulars	for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Present Value of DBO at start of year	**239.97**	**230.26**	**230.26**	**182.18**	**114.10**
Interest cost	8.63	5.93	11.86	7.03	7.34
Current service cost	21.00	22.26	44.66	31.72	26.20
Past service cost vested benefit recognised during the period/year	-	-	-	-	-
Benefits paid	(23.76)	(36.69)	(66.03)	(38.25)	(22.96)
Actuarial loss/(gain)	42.87	7.97	19.22	47.58	57.50
Present Value of DBO at end of period/year	**288.71**	**229.73**	**239.97**	**230.26**	**182.18**

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

Reconciliation of Fair Value of Plan Assets

Particulars	for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Fair Value of Plan Assets at start of year	261.55	234.43	234.43	153.74	130.60
Expected return on plan assets	9.42	6.04	12.07	5.90	8.40
Contributions by employer	46.25	59.76	81.48	116.30	42.90
Benefits paid	(23.76)	(36.69)	(66.03)	(38.25)	(22.96)
Actuarial gain /(loss)	(4.97)	(6.44)	(0.40)	(3.26)	(5.20)
Fair value of plan assets at end of period/year	**288.49**	**257.10**	**261.55**	**234.43**	**153.74**

Investment details of plan assets

Particulars	for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Balance with Life Insurance Corporation of India (LIC)	288.49	257.10	261.55	234.43	153.73

Information of investment details of plan assets are not available, hence not disclosed and the obligation is funded with LIC.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Discount rate	7.26%	7.21%	7.20%	5.15%	3.86%
Expected rate of return on assets	7.26%	7.21%	7.20%	5.15%	3.86%
Employee turnover (in service 0 years and below)	42%	42%	42%	42%	53%
Employee turnover (in service 1 years to 2 years)	39%	39%	39%	39%	46%
Employee turnover (in service 3 years to 4 years)	31%	31%	31%	31%	44%
Employee turnover (in service 5 years and above)	23%	23%	23%	23%	33%
Salary growth rate	6.00%	6.00%	6.00%	6.00%	6.00%
Mortality Rate During Employment - Indian Assured Lives Mortality (IALM)	IALM 2012-14 (Urban)	IALM 2012-14 (Urban)	IALM 2012-14 (Urban)	IALM 2012-14 (Urban)	IALM (2006-08)
Expected average remaining working lives of employees	2 Years	2 Years	2 Years	2 Years	1 Year

Experience Adjustments

Particulars	for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Present Value of DBO at the end of the period/year	288.71	229.73	239.97	230.26	182.10
Fair Valuation of Plan Assets	288.49	257.10	261.55	234.43	153.70
Funded Status [Surplus/(Deficit)]	(0.22)	27.37	21.58	4.17	(28.40)
Experience adjustment on plan liabilities : Gain / (Loss)	43.59	24.75	(35.36)	(35.36)	(34.50)
Experience adjustment on plan Assets : Gain / (Loss)	(4.96)	(6.43)	(3.33)	(3.33)	(5.20)

Particulars	As at and for the year ended				
	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Present Value of DBO at the end of the year	114.10	76.60	56.50	58.30	29.20
Fair Valuation of Plan Assets	130.60	145.40	95.90	87.40	22.80
Funded Status [Surplus/(Deficit)]	16.60	68.90	39.40	29.10	(6.40)
Experience adjustment on plan liabilities : Gain / (Loss)	(17.10)	(17.40)	(31.60)	(10.10)	(0.40)
Experience adjustment on plan Assets : Gain / (Loss)	(10.40)	(6.90)	(6.40)	0.70	(0.90)

Defined Contribution Plan - Provident Fund

The Bank makes Provident Fund contributions to Employees Provident Fund Organisation for qualifying employees at the specified percentage of the payroll costs to the Fund. The Bank has for the period ended September 30, 2023 recognised ₹ 232.65 million towards Provident Fund contribution (September 30, 2022: ₹ 193.80 million, March 31, 2023: ₹ 390.04 million, March 31, 2022: ₹ 379.87 million, March 31, 2021: ₹ 343.03 million).

Employee benefits - compensated absences

The actuarial liability in respect of privilege leave granted to employees of the Bank and outstanding as at September 30, 2023 is ₹ 109.89 million (September 30, 2022: ₹ 62.46 million, March 31, 2023: ₹ 109.89 million, March 31, 2022: ₹ 65.18 million, March 31, 2021: ₹ 60.57 million).

Assumption used in determining the privilege leave liability

Particulars	for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Discount rate	7.26%	7.21%	7.20%	5.15%	3.86%
Salary escalation rate	6%	6%	6%	6%	6%

Attrition rate:	for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
For service 0 years and below	42%	42%	42%	42%	53%
For service 1 years to 2 years	39%	39%	39%	39%	46%
For service 3 years to 4 years	31%	31%	31%	31%	44%
For service 5 years and above	23%	23%	23%	23%	33%

15. Disclosures on Remuneration
A) Qualitative Disclosures

(a) Information relating to the bodies that oversee remuneration.
Name, composition and mandate of the main body overseeing remuneration
The Nomination and Remuneration Committee (NRC) of the Board is the main body overseeing remuneration. As at September 30, 2023, the NRC had six members of which three are Independent Directors.(March 31, 2023, the NRC had five members of which three are Independent Directors, March 31, 2022: the NRC had five members of which three are Independent Directors, March 31, 2021: the NRC had six members of which four are Independent Directors). The functions of the Committee include recommendation of appointment of Directors to the Board, evaluation of performance of the Board, its Committees and directors including the Managing Director & CEO, overseeing the grant of options under the Employees Stock Option Scheme.

External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process
Not Applicable

Scope of the Bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches
The Remuneration Policy of the Bank was approved by the Board on February 8, 2018, pursuant to the guidelines issued by RBI, to cover all employees of the Bank.
The Remuneration policy was amended by the Board on August 13, 2020 to align the policy in line with current regulatory amendments, Compensation Policy covers all employees of the Bank.
Type of employees covered and number of such employees
All permanent employees of the Bank are covered. The total number of permanent employees of the Bank at September 30, 2023 was 20,355 (September 30, 2022: 15,898, March 31, 2023: 18,184, March 31, 2022: 15,641, March 31, 2021: 16,891), who were live as on reporting date including those on probation and confirmed employees.

b) Information relating to the design and structure of remuneration processes and Key features and objectives of remuneration policy

The compensation philosophy of the Bank is structured to support the achievement of the Bank's on-going business objectives by rewarding achievement of objectives linked directly to its strategic business priorities. The main objectives of the remuneration policy of the Bank are as follows:

• Attract, engage and retain talent
• Ensure fairness in the pay structure
• Ensure alignment with the organizational values, i.e., Honesty, Discipline, Respect, Service
• Foster a culture of rewarding and recognizing performance.

Effective governance of compensation:
The NRC shall oversee the framing, review and implementation of the compensation policy.

Alignment of compensation philosophy with prudent risk taking:
The employee's compensation will take account of the risks that he/she takes on behalf of the organization and intends to discourage excessive risk taking. It ensures that the compensation works in harmony with other practices to implement balanced risk postures. Also, the committee shall ensure that employees engaged in financial and risk control will be interdependent, have appropriate authority and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Bank.

Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made:
The Board/NRC has reviewed the Bank's remuneration policy during the year under review

Discussion of how the Bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee:
The committee shall ensure that employees engaged in financial and risk control will be independent, have appropriate authority, and be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Bank. The remuneration for the employees in the risk and compliance function will be determined independent of other business areas and shall be adequate to attract qualified and experienced professionals. The performance measures of such employees shall be based principally on the achievement of the objectives of their functions.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes.

Overview of the key risks that the Bank takes into account when implementing remuneration measures:
The committee shall work in close coordination with Risk Management Committee of the small finance bank, in order to achieve effective alignment between remuneration and risks.

Overview of the nature and type of key measures used to take account of these risks, including risk difficult to measure:

Compensation works in harmony with other practices to implement balanced risk postures.

15. Disclosures on Remuneration (Contd.)

Discussion of the ways in which these measures affect remuneration:
The employee's compensation will take account of the risks that he/she takes on behalf of the organization and intends to discourage excessive risk taking. It ensures that the compensation works in harmony with other practices to implement balanced risk postures.

Discussion of how the nature and type of these measures have changed over the past year and reasons for the changes, as well as the impact of changes on remuneration:
Not applicable

d) **Description of the ways in which the Bank seeks to link performance during a performance measurement period with levels of remuneration:**

The main performance metrics include profitability, business growth, asset quality, compliance and customer service.

e) **A discussion of the Bank's policy on deferral and vesting of variable remuneration and a discussion of the Bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:**

The Banks remuneration policy covers Whole Time Directors / Chief Executive Officer/ Other Material Risk Takers of the Bank.

f) **Description of the different forms of variable remuneration (i.e., cash and types of share-linked instruments) that the Bank utilizes and the rationale for using these different forms.**

Variable remuneration includes following distinct forms:

1. Statutory Bonus:
Statutory Bonus is paid as per Payment of Bonus Act, 1965.

2. Variable Pay :
Variable pay component ensures that we reward the employees based on the Individual achievements and the Bank's performance measured against goals established for the performance year.
a) Cash Bonus:
The budget for Annual Cash Bonus, will depend on the Bank's profitability. The actual pay-out to the individual will further depend on his/her performance, and at the sole discretion of the management.
b) Incentives:
All Business roles up to the level of Zonal Business Heads are eligible for incentives. Pay out of incentive for aggregator roles depends upon average incentives earned by the front line team. These incentives are capped to ensure integrity and compliance.
For the front line field roles like CREC, CRES, BDE, Area Heads in Collections, Assets and Liabilities Collections, incentive are paid on a monthly basis. Roles in operations such as CRE, Teller, BOM or other aggregator roles in Business like Branch Sales Manager, Regional Heads and Zonal Heads, a portion of monthly incenitve are retained and is paid after the end of performance year.
Any addition/modification would be approved by the MD & CEO.
c) Share-linked Instruments:
Currently ESOPs/ RSUs are granted to employees by the management, based on the Board approved schemes. Share-linked instruments will be fair valued on the date of grant by the bank. As per the Good Leavers policy of the Bank, payment towards any deferred instrument or cash bonus will require approval of the MD & CEO.

3. Rewards & Recognition:
The Bank may, with the approval of the MD & CEO, run various contests for its employees to support the achievement of the Bank's on-going business objectives. These contests may carry financial/other rewards as permitted by extant regulations.

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

15. Disclosures on Remuneration (Contd.)

The quantitative disclosures covers details of Whole Time Directors / Chief Executive Officer/ Other Material Risk Takers of the Bank. Key Material Risk Takers are individuals who can materially set, commit or control significant amounts of the Bank's resources, and / or exert significant influence over its risk profile.

B) Quantitative Disclosure

Sr. No.	Subject	For the half year ended September 30, 2023	For the half year ended September 30, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Number of meetings held by the NRC during the financial year and remuneration paid to its members	Number of meetings: 5 Remuneration paid: ₹ 0.55 million	Number of meetings: 3 Remuneration paid: ₹ 0.25 million	Number of meetings: 6 Remuneration paid: ₹ 0.47 million	Number of meetings: 5 Remuneration paid: ₹ 0.40 million	Number of meetings: 7 Remuneration paid: ₹ 0.73 million
(b) (i)	Number of employees having received a variable remuneration award during the financial year	None	None	None	None	None
(b) (ii)	Number and total amount of sign on awards made during the financial year	None	None	None	None	None
(b) (iii)	Details of guaranteed bonus, if any, paid as joining /sign on bonus	None	None	None	None	None
(b) (iv)	Details of severance pay, in addition to accrued benefits, if any	None	None	None	None	None
(c) (i)	Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms	977,557 options granted under ESOP scheme and 109,694 units under RSU scheme till September 30, 2023, yet to be exercised. 19,087 Options granted under ESOP scheme and 1,768 units under RSU scheme during the year. (Apr'23 to Sep'23) Out of total grants, 198,358 ESOP Options and 18,544 RSUs are unvested as on September 30, 2023.	899,355 shares granted under ESOP scheme and 91,150 units under RSU scheme till September 30, 2022, yet to be exercised. 8,145 shares granted under ESOP scheme and 2,903 units under RSU scheme during the year. Out of total grants, 177,200 ESOP Options and 12,430 RSUs are unvested as on September 30, 2022.	1,038,589 options granted under ESOP scheme and 111,716 units under RSU scheme till March 31, 2023, yet to be exercised. 62,624 Options granted under ESOP scheme and 19,717 units under RSU scheme during the year. Out of total grants, 189,158 ESOP Options and 19,717 RSUs are unvested as on March 31, 2023.	976,214 shares granted under ESOP scheme and 90,779 units under RSU scheme till March 31, 2022, yet to be exercised. 126,610 shares granted under ESOP scheme and 19,562 units under RSU scheme during the year. Out of total grants, 234,325 ESOP Options and 19,562 RSUs are unvested as on March 31, 2022.	567,647 shares granted under ESOP scheme and 61,193 units under RSU scheme till March 31, 2021, yet to be exercised. 25,672 units granted under RSU scheme during the year. Out of total grants, 141,916 ESOP options and 8,849 RSUs are unvested as on March 31, 2021.
(c) (ii)	Total amount of deferred remuneration paid out in the financial year	Nil	Nil	Nil	Nil	Nil
(d) (i)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non deferred	Fixed Pay : ₹ 127.59 million Car EMI : ₹ 2.69 million Variable pay : ₹ 21.86 million Deferred pay : ₹ 4.5 million	Fixed Pay : ₹ 116.69 million Car EMI : ₹ 2.09 million Variable pay : ₹ 11.76 million Deferred pay : Nil	Fixed Pay : ₹ 234.07 million Car EMI : ₹ 5.05 million Variable pay : ₹ 9.60 million Deferred pay : ₹ 9.00 million	Fixed Pay : ₹ 214.98 million Car EMI : ₹ 3.90 million Variable pay : ₹ 43.04 million Deferred pay : Nil	Fixed Pay : ₹ 45.57 million Car EMI : ₹ 1.30 million Variable pay : ₹ 12.10 million Deferred pay : Nil
(e) (i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustments	None	None	None	None	None
(e) (ii)	Number of cases where both malus and clawback have been exercised.	None	None	None	None	None
(e) (iii)	The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay	₹ 0.39 million and 124 times	₹ 0.39 million and 122 times	₹ 0.38 million and 128 times	₹ 0.40 million and 122 times	₹ 0.34 million and 139 times
(f) (i)	Total amount of reductions during the financial year due to ex post explicit adjustments	None	None	None	None	None
(g) (i)	Total amount of reductions during the financial year due to ex post implicit adjustments	None	None	None	None	None
(g) (ii)	Number of MRTs identified	24	23	24	23	20
(g) (iii)	Number of cases where malus has been exercised	None	None	None	None	None
(h) (i)	Number of cases where clawback has been exercised	None	None	None	None	None

1. The remuneration does not include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Bank as a whole.
2. Fixed pay includes basic salary, contribution to provident fund, reimbursements and car EMI (shown separately also)
3. Based on RBI letter dated January 19, 2024, ESOPs are voluntarily forfeited and reissued

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

15. Disclosures on Remuneration (Contd.)

(C) Remuneration paid to other directors for the half year ended September 30, 2023

Sr. No.	Particulars of Remuneration	Name of the Directors						Total Amount
1	Independent Directors	Vikram Gandhi	R. Ramaseshan	Chitra Talwar	Dr. Subhas Khuntia	K. Srinivas Nayak	P. Vijaya Kumar	
	Fee for attending board committee meetings	0.00	0.73	0.88	0.80	0.60	0.83	3.84
	Commission	-	-	-	-	-	-	-
	Others, (Professional Fees)	-	0.05	0.05	0.80	0.00	0.05	0.95
	Total (1)	**0.00**	**0.78**	**0.93**	**1.60**	**0.60**	**0.88**	**4.79**
2	Other Non-Executive Directors	Ramesh Ramanathan	Rahul Khosla					
	Fee for attending board committee meetings	-	0.33					0.33
	Commission	-	-					-
	Others, please specify	-	-					-
	Total (2)	**-**	**0.33**		**-**	**-**	**-**	**0.33**
	Total (1)+(2)	**-**	**1.11**	**0.93**	**1.60**	**0.60**	**0.88**	**5.12**

Remuneration paid to other directors for the half year ended September 30, 2022

Sr. No.	Particulars of Remuneration	Name of the Directors						Total Amount
1	Independent Directors	Vikram Gandhi	R. Ramaseshan	Chitra Talwar	Dr. Subhas Khuntia	Srinivas Nayak	P R Seshadri	
	Fee for attending board committee meetings	0.18	0.58	0.65	0.55	0.55	0.00	2.51
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	0.75	0.00	-	0.75
	Total (1)	**0.18**	**0.58**	**0.65**	**1.30**	**0.55**	**0.00**	**3.26**
2	Other Non-Executive Directors	Ramesh Ramanathan	Rahul Khosla					
	Fee for attending board committee meetings	-	0.23					0.23
	Commission	-	-					-
	Others, please specify	-	-					-
	Total (2)	**-**	**0.23**		**-**	**-**	**-**	0.23
	Total (1)+(2)	**0.18**	**0.81**	**0.65**	**1.30**	**0.55**	**-**	**3.49**
	Overall Ceiling as per the Act (sitting fees not to exceed ₹ 100,000 per meeting), The Bank pays sitting fees to Non-Executive Directors which is below the ceiling of ₹ 100,000 per meeting as prescribed							

(C) Remuneration paid to other directors for the year ended March 31, 2023

Sr. No.	Particulars of Remuneration	Name of the Directors						Total Amount
1	Independent Directors	Vikram Gandhi	R. Ramaseshan	Chitra Talwar	Dr. Subhas Khuntia	K. Srinivas Nayak	P. Vijaya Kumar	
	Fee for attending board committee meetings	0.18	1.08	1.00	1.05	0.78	0.05	4.14
	Commission	-	-	-	-	-	-	-
	Others, (Professional Fees)	-	-	-	1.50	-	-	1.50
	Total (1)	**0.18**	**1.08**	**1.00**	**2.55**	**0.78**	**0.05**	**5.64**
2	Other Non-Executive Directors	Ramesh Ramanathan	Rahul Khosla					
	Fee for attending board committee meetings	-	0.23					0.23
	Commission	-	-					-
	Others, please specify	-	-					-
	Total (2)	**-**	**0.23**	**-**	**-**	**-**	**-**	**0.23**
	Total (1)+(2)	**0.18**	**1.31**	**1.00**	**2.55**	**0.78**	**0.05**	**5.87**

Remuneration paid to other directors for the year ended March 31, 2022

Sr. No.	Particulars of Remuneration	Name of the Directors						Total Amount
1	Independent Directors	Vikram Gandhi	R. Ramaseshan	Chitra Talwar	Dr. Subhas Khuntia	Eugene Karthak	P R Seshadri	
	Fee for attending board committee meetings	0.35	0.83	0.78	0.53	0.50	0.83	3.82
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	0.65	-	-	0.65
	Total (1)	**0.35**	**0.83**	**0.78**	**1.18**	**0.50**	**0.83**	**4.47**
2	Other Non-Executive Directors	Ramesh Ramanathan	Rahul Khosla					
	Fee for attending board committee meetings	-	0.58					0.58
	Commission	-	-					-
	Others, please specify	-	-					-
	Total (2)	**-**	**0.58**		**-**	**-**	**-**	**0.58**
	Total (1)+(2)	**0.35**	**1.41**	**0.78**	**1.18**	**0.50**	**0.83**	**5.05**
	Overall Ceiling as per the Act (sitting fees not to exceed ₹ 100,000 per meeting), The Bank pays sitting fees to Non-Executive Directors which is below the ceiling of ₹ 100,000 per meeting as prescribed under the Companies Act, 2013.							

Remuneration paid to other directors for the year ended March 31, 2021

Sr. No.	Particulars of Remuneration	Name of the Directors						Total Amount
1	Independent Directors	Vikram Gandhi	Vijayalatha Reddy	R. Ramaseshan	Chitra Talwar	Eugene Karthak	P R Seshadri	
	Fee for attending board committee meetings	0.20	0.93	1.08	0.85	0.70	0.73	4.49
	Commission							-
	Others, please specify							-
	Total (1)	**0.20**	**0.93**	**1.08**	**0.85**	**0.70**	**0.73**	**4.49**
2	Other Non-Executive Directors	Ramesh Ramanathan	Rahul Khosla	Puneet Bhatia				
	Fee for attending board committee meetings		0.55					0.55
	Commission	-		-				-
	Others, please specify	-		-				-
	Total (2)	**-**	**0.55**	**-**	**-**	**-**	**-**	**0.55**
	Total (1)+(2)	**0.20**	**1.48**	**1.08**	**0.85**	**0.70**	**0.73**	**5.04**

16. Segment Reporting
Business Segments

Business segments have been identified and reported taking into account, the customer profile, the nature of products and services, the differing risks and returns, the organisation structure and the guidelines prescribed by the RBI. The Bank operates in the following segments:

a) Treasury
The treasury segment primarily consists of entire investment portfolio of the Bank.

b) Retail Banking
The retail banking segment serves retail customers through a branch network. Exposures are classified under retail banking taking into account the status of the borrower (orientation criterion), the nature of product, granularity of the exposure and the quantum thereof.

Revenues of the retail banking segment are primarily derived from interest and fees earned on retail loans, interest on deposits placed as collateral with banks and financial institutions. Expenses of this segment primarily comprise interest expense on borrowings, deposits, infrastructure and premises expenses for operating the branch network, personnel costs and other direct overheads.

c) Wholesale Banking
Wholesale Banking includes all advances to companies and statutory bodies, that are not included under Retail Banking.

d) Other Banking Operation
Other Banking includes other items not attributable to any particular business segment.

e) Unallocated
All items which are reckoned at an enterprise level are classified under this segment. This includes capital and reserves, and other unallocable assets and liabilities not identifiable to particular segment, such as deferred tax, prepaid expenses, etc.

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

Part A: Business segments:

Segment reporting for the period ended September 30, 2023, September 30, 2022, March 31, 2023, March 31, 2022 and March 31, 2021 is given below:

	Particulars	Half Year ended September 30, 2023	Half Year ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
1	**Segment Revenue:**					
(a)	Treasury	5,864.84	5,297.20	10,968.44	13,712.63	7,949.57
(b)	Corporate/Wholesale Banking	1,080.48	757.60	1,552.59	1,291.44	588.88
(c)	Retail Banking	27,578.17	21,099.74	45,711.82	38,185.77	35,870.81
	(i) Digital Banking Units	*13.02*	-	*4.73*	-	-
	(ii) Other Retail Units	*27,565.15*	-	*45,707.08*	-	-
(d)	Other Banking operations	512.70	145.56	331.71	286.08	261.86
	Total Revenue	**35,036.19**	**27,300.10**	**58,564.56**	**53,475.92**	**44,671.12**
	Less: Inter Segment Revenue	(12,880.52)	(10,403.93)	(21,565.81)	(22,852.27)	(17,463.71)
	Income from Operations	**22,155.67**	**16,896.17**	**36,998.75**	**30,623.65**	**27,207.41**
2	**Segment Results (net of provisions)**					
(a)	Treasury	274.56	219.05	243.85	1,245.59	(977.48)
(b)	Corporate/Wholesale Banking	171.47	140.46	314.12	73.58	77.71
(c)	Retail Banking	1,173.45	76.27	1,701.38	(1,300.32)	1,642.92
	(i) Digital Banking Units	*5.31*	-	*(0.78)*	-	-
	(ii) Other Retail Units	*1,168.14*	-	*1,702.16*	-	-
(d)	Other Banking operations	512.70	120.56	300.36	155.86	(20.55)
(e)	Unallocated	-	-	-	-	-
	Profit/(Loss) before tax	**2,132.18**	**556.34**	**2,559.71**	**174.71**	**722.60**
3	**Segment Assets**					
(a)	Treasury	65,584.44	75,169.08	73,543.50	66,059.40	69,425.29
(b)	Corporate/Wholesale Banking	19,905.16	14,233.78	18,058.76	13,952.21	8,749.37
(c)	Retail Banking	193,471.25	135,485.51	162,993.32	119,896.50	110,045.45
	(i) Digital Banking Units	*92.54*	-	*60.17*	-	-
	(ii) Other Retail Units	*193,378.71*	-	*162,933.15*	-	-
(d)	Other Banking operations	-	23.92	-	58.39	184.54
(e)	Unallocated	2,097.89	1,915.93	1,841.32	1,920.58	2,381.95
	Total	**281,058.74**	**226,828.22**	**256,436.90**	**201,887.08**	**190,786.60**

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

	Particulars	Half Year ended September 30, 2023	Half Year ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
4	**Segment Liabilities**					
(a)	Treasury	54,937.52	61,390.01	64,575.25	46,275.33	49,160.68
(b)	Corporate/Wholesale Banking	251.39	147.84	191.57	117.73	74.52
(c)	Retail banking	199,703.01	149,102.38	173,281.89	143,226.47	130,120.57
	(i) Digital Banking Units	*76.36*	-	*49.80*	-	-
	(ii) Other Retail Units	*199,626.65*	-	*173,232.08*	-	-
(d)	Other banking operations	-	-	-	-	-
(e)	Unallocated	477.17	238.42	415.64	260.56	282.71
	Total	**255,369.09**	**210,878.65**	**238,464.35**	**189,880.09**	**179,638.48**
5	**Capital Employed**					
(a)	Treasury	10,646.92	13,779.07	8,968.25	19,784.07	20,264.62
(b)	Corporate/Wholesale Banking	19,653.77	14,085.95	17,867.19	13,834.48	8,674.86
(c)	Retail banking	(6,231.77)	(13,616.87)	(10,288.57)	(23,329.96)	(20,075.14)
	(i) Digital Banking Units	*16.18*	-	*10.36*	-	-
	(ii) Other Retail Units	*(6,247.95)*	-	*(10,298.93)*	-	-
(d)	Other banking operations	-	23.92	-	58.39	184.54
(e)	Unallocated	1,620.72	1,677.51	1,425.68	1,660.01	2,099.24
	Total	**25,689.64**	**15,949.58**	**17,972.55**	**12,006.99**	**11,148.12**

Part B: Geographic segments

The business operations of the Bank are only in India hence geographical segment is not applicable.

Segment Notes:

1. The Reportable segments are identified into Treasury, Corporate/Wholesale Banking, Retail Banking and Other Banking Operations in compliance with the RBI guidelines.
2. RBI vide its circular dated April 7, 2022 on establishment of Digital Banking Units (DBUs), the RBI has prescribed reporting of Digital Banking Segment as a sub-segment of the Retail Banking Segment. The Bank has commenced it's operations at three DBUs from October 16, 2022 and the segment information disclosed above is related to the said DBUs, (No.of DBUs as on September 30, 2023: three units)
3. The Bank has formulated and implemented Funds Transfer Pricing (FTP) methodology and the allocation of revenue and cost on account of FTP is made between the segments.
4. Unallocated assets and liabilities pertains to the assets and liabilities not identifiable to the particular segment.

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

17. Related party disclosures

Related Party Transaction Disclosures as per Accounting Standard 18 read with RBI Master Direction on Financial Statements – Presentation and Disclosures, the Bank's related parties are disclosed below:

Director	**Key management personnel**
Mr. Ramesh Ramanathan, Director	Mr. Ajay Kanwal, Managing Director and Chief Executive Officer
Mr. R. Ramaseshan	Mr. Kapil Krishan, Chief Financial Officer (upto October 31, 2021)
Ms. Chitra Talwar	Mr. Buvanesh Tharashankar, Chief Financial Officer (w.e.f. February 9, 2022, upto : July 19, 2023)
Mr. Rahul Khosla (w.e.f. September 30, 2020)	Ms. Lakshmi R N, Company Secretary
Dr. Subhash Chandra Khuntia (w.e.f. July 28, 2021)	Mr. Abhilash Sandur, Chief Financial Officer (w.e.f. July 20,2023)
Ms. Vijayalatha Reddy (upto April 05, 2021)	
Mr. Puneet Bhatia (upto August 06, 2020)	
Mr. P R Seshadri (upto March 29, 2022)	
Mr. Eugene Karthak (upto April 9, 2022)	
Mr. Vikram Gandhi (upto February 7, 2023)	
Mr. K. Srinivas Nayak (w.e.f. May 05, 2022)	
Mr. P. Vijaya Kumar (w.e.f. March 24, 2023)	

Entities in which director or his relative is member or director	
Jana Holding Limited	Rashtriya E-market Services Pvt.Ltd
Jana Capital Limited	National Commodity Clearing Limited
Jana Urban Space Foundation (India)	Magic Wand Empowerment Private Limited
Jana Urban Services for Transformation Private Limited	RTD Investments Pte. Ltd., Singapore
Jana Urban Foundation (Section 25 Company - not for profit)	Whiteboard Consulting & Advisory Services Limited Pte Singapore
Janaadhar (India) Pvt. Ltd	Nageshwara Acqa LLP
Janagraha centre for Citizenship and democracy	Growth Source Financial Technologies Private Limited
Exdion Solutions Pvt Ltd	42 card solutions (Private) Limited (Shareholder)
West End Housing Finance Limited	Goa Institute of Management (Adjunct Faculty)
Invent Assets Securitization and Reconstruction Private Limited	Orocorp Finance Private Limited
S K Singhi & Co, LLP, Advocates	Orocorp Technologies (P) Limited
L & T Infrastructure Developments Projects Ltd	Swarnapragati HousingMicrofinance Private Limited (member)
Asha impact Advisory Services Private Limited	Greenway Grameen Infra Pvt. Ltd(Member)
Grameen Capital India Private Limited	Avanti Learning Centres Private Limited (Member)
Grameen Impact Investments India Private Limited	Saahas Waste Management Private Limited (Member)
VSG Capital Advisors (HK) Ltd	Asha Impact
KEC International Limited	SFI Impact Foundation
Vastu Housing Finance Corp. Ltd(Member)	Asha Circle LLP
VSG Capital Advisors Pvt Ltd	Asha Impact Consulting LLP
Deccan Heritage Foundation India	Asha Impact Initiatives LLP
Vijaya Vani Trust (Family Trust)	R R Kabel Limited
Vivekananda Ashrama Trust (Family Trust)	Ram Ratna Electricals Limited
Bangalore Little Theatre (NGO)	Shriram Capital Limited
International Institute for Arts Culture and Democracy (NGO)	Sai Life Sciences Limited
Kalavaahini Trust (NGO)	TPG Capital India Private Limited
ADC India Communications Limited	Flare Estate Private Limited
Shriram Transport Finance Company Limited	Manipal Health Enterprises Private Limited
Havells India Limited	Campus Activewear Private Limited
Crossdomain Solutions Pvt Ltd	Sandur (HUF)
Sri Kanchi Sankara Health & Educational Foundation,Guwahati	Rishi Childerns Trust
Jana Urban Space Foundation	

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

Relatives of key management personnel, directors and their interested entities	
Swathi Ramanathan	Tanya Ghosh
T S Ramanathan	Aditi Khosla
Radha Ramanathan	Urvashi Bawa
Rishab Ramanathan	D V Manjunath
Shunori Ramanathan	D M Rahul
Ravi Ramanathan	Padmaja Khuntia (w.e.f. July 28, 2021)
Nishi Ajay Kanwal	Sarthak Khuntia (w.e.f. July 28, 2021)
Chamanlal Kanwal	Shruti Khuntia (w.e.f. July 28, 2021)
Geeta Kanwal	Prashanth Halappa (w.e.f. July 28, 2021)
Dhruv Kanwal	Sarat Chandra Khuntia (w.e.f. July 28, 2021)
Kriti Kanwal	Sudhir Chandra Khuntia (w.e.f. July 28, 2021)
Poonam Kumar Saidha	Subodh Chandra Khuntia (w.e.f. July 28, 2021)
Sanjay Chamanlal Kanwal	Shantisudha Khuntia (w.e.f. July 28, 2021)
Uma Ramaseshan	Karen Nayak (w.e.f. May 06, 2022)
Ajay Ramaseshan	Kumbla Ramachandra Nayak (w.e.f. May 06, 2022)
Dr. Mohan Ramalingam	Kasturi R Nayak (w.e.f. May 06, 2022)
Mrs. Nagalakshmi Raju	Neha Nayak Kennard (w.e.f. May 06, 2022)
Rajiv Talwar	Meghna Nayak (w.e.f. May 06, 2022)
Arjun Talwar	Andrew Kennard (w.e.f. May 06, 2022)
Shruti Talwar	Maya Shyam (w.e.f. May 06, 2022)
S. Ramagopal	Pammi Kamalamma (w.e.f. March 24, 2023)
Dr.Natarajan	Pammi Siddartha (w.e.f. March 24, 2023)
Major Ashok Sivakumaran	Pammi Sridevi (w.e.f. March 24, 2023)
Anand Sivakumaran	Pammi Bhaskar Rao (w.e.f. March 24, 2023)
Mehreen T Khosla	Sinka Satyavathi (w.e.f. March 24, 2023)
Sarup Rani Khosla	Anirudh Buvanesh (w.e.f. February 9, 2022, upto: July 19, 2023)
Aman Khosla	Chandra Tharasankar (w.e.f. February 9, 2022, upto: July 19, 2023)
Swinder Singh Gandhi (upto February 7, 2023)	Kiran Kyrie Gandhi (upto February 7, 2023)
Baljeet Swinder Gandhi (upto February 7, 2023)	Prithvi Swinder Gandhi (upto February 7, 2023)
Kanika Krista Gandhi (upto February 7, 2023)	Kabir Kyle Gandhi (upto February 7, 2023)
Rukmini Reddy	Madan Lal Bhatia
Late Vijayalakshmi reddy	Kamla Bhatia
Vijay Chandru	Saurabh Bhatia
Vani Reddy	Saanchi Bhatia
Aarthi Narayan	Deepti Sehegal
Shalini Bhatia	Kusuma VK (w.e.f. July 20,2023)
Sumedh Vasishta A S (w.e.f. July 20,2023)	

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

The Bank's related party balances and transactions for the half year ended September 30, 2023 and September 30, 2022 are summarised as follows:

Name of related party	Nature of transactions	Transaction value for the half year ended September 30, 2023	Outstanding amount as at September 30, 2023#	Transaction value for the half year ended September 30, 2022	Outstanding amount as at September 30, 2022#
A. Private company in which director or his relative is member or director					
1. Jana Holding Limited	Issue of equity shares (1,549,993 equity shares)	-	24,901.68 (24,901.68)	1,000.00	24,901.68 (24,901.68)
	Rendered professional services	-	-	-	-
2. Jana Urban Foundation	Royalty payments	58.38	30.03 (37.97)	45.43	29.95 (22.09)
3. Jana Capital Limited	Rendered professional services	-	-	-	-
B. Key Management Personnel* (KMP)				-	
1. Mr. Ajay Kanwal	Remuneration	28.49	-	22.11	-
2. Mr. Kapil Krishan	Remuneration	-	-	-	-
3. Mr. Buvanesh Tharashankar	Remuneration	5.94	-	7.24	-
4. Ms. Lakshmi R N	Remuneration	2.82	-	1.65	-
5. Mr. Abhilash Sandur	Remuneration	2.30	-	-	-
C. Deposits of related parties					
1. KMP	Deposit	7.80	7.85 (17.08)	9.74	9.81 (15.02)
	Interest	0.11		0.07	
2. Relatives of KMP	Deposit	1.80	1.87 (2.55)	0.32	0.32 (0.40)
	Interest	0.07		-	
3. Director	Deposit	13.00	13.02 (19.88)	6.62	6.81 (6.81)
	Interest	0.50		0.19	
4. Relatives of Director	Deposit	7.96	8.12 (8.81)	6.99	7.05 (9.27)
	Interest	0.16		0.07	
5. Private company in which director or his relatives is member or director	**Deposit**	**109.00**	**111.67 (15,393.30)**	**86.29**	**88.38 (1,371.72)**
Jana Urban Space Foundation India	*Deposit*	*11.38*	*11.77 (11.83)*	*11.71*	*12.06 (17.06)*
Jana Urban Space Foundation	*Deposit*	*7.71*	*7.75 (7.78)*	*7.24*	*7.28 (7.28)*
Jana Urban Foundation	*Deposit*	*26.56*	*28.38 (28.38)*	*25.05*	*26.54 (26.54)*
Jana Urban Services For Transformation Pvt Ltd	*Deposit*	*29.35*	*29.51 (29.51)*	*29.35*	*29.51 (57.96)*
Jana Holdings Limited	*Deposit*	*25.22*	*25.42 (7,040.26)*	*8.91*	*8.97 (260.36)*
Jana Capital Limited	*Deposit*	*8.78*	*8.84 (8,275.55)*	*4.01*	*4.03 (1002.52)*
	Interest	***2.67***		***2.09***	
Jana Urban Space Foundation India	*Interest*	*0.39*		*0.34*	
Jana Urban Space Foundation	*Interest*	*0.04*		*0.03*	
Jana Urban Foundation	*Interest*	*1.82*		*1.49*	
Jana Urban Services For Transformation Pvt Ltd	*Interest*	*0.16*		*0.16*	
Jana Holdings Limited	*Interest*	*0.20*		*0.06*	
Jana Capital Limited	*Interest*	0.06		0.02	

The Bank's related party balances and transactions for the year ended March 31, 2023 are summarised as follows:

Name of related party	Nature of transactions	Transaction value for the year ended March 31, 2023	Outstanding amount as at March 31, 2023#
A. Private company in which director or his relative is member or director			
1. Jana Holding Limited	Issue of equity shares (1,549,993 equity shares)	1,000.00	24,901.68 (24,901.68)
2. Jana Urban Foundation	Royalty payments	99.56	27.39 (35.12)
B. Key Management Personnel* (KMP)			
1. Mr. Ajay Kanwal	Remuneration	62.12	-
2. Mr. Buvanesh Tharashankar	Remuneration	15.40	-
3. Ms. Lakshmi R N	Remuneration	3.81	-
C. Deposits of related parties			
1. KMP	Deposit	13.87	13.94 (17.00)
	Interest	0.06	
2. Relatives of KMP	Deposit	0.75	0.79 (0.42)
	Interest	0.04	
3. Director	Deposit	12.04	12.51 (16.58)
	Interest	0.47	
4. Relatives of Director	Deposit	7.36	7.46 (10.16)
	Interest	0.10	
5. Private company in which director or his relatives is member or director	**Deposit**	**75.18**	**76.95 (1095.54)**
	Interest	***1.77***	

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

Name of related party	Nature of transactions	Transaction value for the year ended March 31, 2022	Outstanding amount as at March 31, 2022#	Transaction value for the year ended March 31, 2021	Outstanding amount as at March 31, 2021#
A. Private company in which director or his relative is member or director					
1. Jana Holding Limited	Issue of equity shares (6,81,423 equity shares)	660.00	23,901.68 (23,901.68)	-	23,241.68 (23,241.68)
	Rendered professional services	-	-	0.12	-
2. Jana Urban Foundation	Royalty payments	55.01	21.05 (28.80)	49.60	0.00 (26.30)
3. Jana Capital Limited	Rendered professional services	-	-	0.06	-
B. Key Management Personnel* (KMP)				-	
1. Mr. Ajay Kanwal	Remuneration	55.19	-	66.87	20.00
2. Mr. Kapil Krishan	Remuneration	7.80	-	12.31	-
3. Mr. Buvanesh Tharashankar	Remuneration	5.08	-	-	-
4. Ms. Lakshmi R N	Remuneration	2.79	-	2.42	-
C. Deposits of related parties					
1. KMP	Deposit	7.67	7.70 (15.93)	5.97	6.00 (12.97)
	Interest	0.03		0.03	
2. Relatives of KMP	Deposit	0.35	0.41 (0.97)	0.34	0.38 (1.00)
	Interest	0.06		0.04	
3. Director	Deposit	22.09	23.15 (119.32)	14.86	15.44 (120.84)
	Interest	1.06		0.58	
4. Relatives of Director	Deposit	4.82	4.86 (17.35)	7.18	7.31 (20.41)
	Interest	0.04		0.13	
5. Private company in which director or his relatives is member or director	**Deposit**	**77.90**	**79.42 (1,848.50)**	**88.43**	**90.04 (675.33)**
Jana Urban Space Foundation India	*Deposit*	*0.13*	*0.13 (11.30)*	*27.99*	*28.10 (184.17)*
Jana Urban Space Foundation	*Deposit*	*7.04*	*7.08 (179.77)*	*1.22*	*1.22 (179.81)*
Jana Urban Foundation	*Deposit*	*25.05*	*25.78 (141.08)*	*23.51*	*24.26 (141.08)*
Jana Urban Services For Transformation Pvt Ltd	*Deposit*	*29.84*	*30.49 (129.47)*	*28.21*	*28.22 (140.27)*
Jana Holdings Limited	*Deposit*	*15.84*	*15.94 (1,386.88)*	*7.50*	*8.24 (30.00)*
	Interest	***1.52***		***1.61***	
Jana Urban Space Foundation India	*Interest*	-		*0.11*	
Jana Urban Space Foundation	*Interest*	*0.04*		-	
Jana Urban Foundation	*Interest*	*0.72*		*0.75*	
Jana Urban Services For Transformation Pvt Ltd	*Interest*	*0.67*		*0.01*	
Jana Holdings Limited	*Interest*	*0.09*		*0.74*	

Notes: * The remuneration does not include value of employee stock options exercised during the period/year, if any & cost of retirement benefit such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the bank as whole.
Figures in bracket indicates maximum outstanding during the period/year.

(All amounts are in Indian Rupees in Million unless otherwise stated)

18. Disclosure of Complaints

a) Summary information on complaints received by the Bank from customers and from the Offices of Ombudsman (OBO)

Particulars	As at and for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Complaints received by the Bank from its customers					
1. Number of complaints pending at beginning of the period/year	231	201	201	211	185
2. Number of complaints received during the period/year	2,356	2,866	5,708	5,890	7,311
3. Number of complaints disposed during the period/year	2,354	2,828	5,678	5,900	7,285
3.1 Of which, number of complaints rejected by the Bank	0	0	-	-	-
4. Number of complaints pending at the end of the period/year	233	239	231	201	211
Maintainable complaints received by the Bank from OBOs					
5. Number of maintainable complaints received by the Bank from OBOs	96	112	227	155	204
5.1 Of 5, number of complaints resolved in favour of the Bank by OBOs	90	108	215	147	192
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by OBOs	6	4	11	8	12
5.3 Of 5, number of complaints resolved after passing of Awards by OBOs against the Bank	-	-	-	-	-
6. Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-	-	-	-

Note:
1. Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.
2.The above disclosure does not include 256 (September 30, 2022 : 380, March 31, 2023: 889, March 31, 2022: 873, March 31, 2021: Includes complaints received and which were closed within next working day) complaints which were closed within next working day (As per the section 16.5 of the RBI's Master Circular on Customer Service in banks dated July 01, 2015, all complaints redressed within next working day need not be included in the statement of complaints).

b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the half year	Number of complaints received during the half year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the half year	Of 5, number of complaints pending beyond 30 days
	September 30, 2023				
Deposit Accounts	8	567	(22%)	9	-
ATM / Debit Cards	29	500	1%	27	1
Loans & advances	12	775	2%	14	-
Net Banking /Mobile Banking/Point of Sales	57	379	(47%)	34	-
Staff Behaviour	-	60	(35%)	2	-
Others	125	75	(13%)	147	-
Total	**231**	**2,356**	**(18%)**	**233**	**1**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the half year	Number of complaints received during the half year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the half year	Of 5, number of complaints pending beyond 30 days
	September 30, 2022				
Deposit Accounts	13	726	43%	25	3
ATM / Debit Cards	20	493	(67%)	33	-
Loans & advances	31	758	2%	25	-
Net Banking /Mobile Banking/Point of Sales	52	710	100%	54	5
Staff Behaviour	3	93	(44%)	4	-
Others	82	86	(5%)	98	-
Total	**201**	**2,866**	**(61%)**	**239**	**8**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	March 31, 2023				
Deposit Accounts	13	1,476	(23%)	8	-
ATM / Debit Cards	20	951	5%	29	1
Loans & advances	31	1,485	14%	12	-
Net Banking /Mobile Banking/Point of Sales	52	1,467	9%	57	-
Staff Behaviour	3	155	(21%)	-	-
Others	82	174	(26%)	125	-
Total	**201**	**5,708**	(3%)	**231**	**1**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	March 31, 2022				
Deposit Accounts	38	1,913	43%	13	-
ATM / Debit Cards	30	902	(67%)	20	-
Loans & advances	44	1,300	2%	31	-
Net Banking /Mobile Banking/Point of Sales	41	1,345	(3%)	52	-
Staff Behaviour	6	196	(44%)	3	-
Others	52	234	(5%)	82	-
Total	**211**	**5,890**	(19%)	**201**	**-**

(All amounts are in Indian Rupees in Million unless otherwise stated)

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	March 31, 2021				
ATM / Debit Cards	51	2,710	(1%)	38	-
Net Banking /Mobile Banking/Point of Sales	54	1,387	(68%)	30	-
Deposit Accounts	27	1,342	(36%)	44	-
Loans & advances	19	1,278	(54%)	41	-
Staff Behaviour	2	347	(14%)	6	-
Others	32	247	(36%)	52	-
Total	**185**	**7,311**	**(43%)**	**211**	**-**

(All amounts are in Indian Rupees in Million unless otherwise stated)

19. Off balance sheet SPVs

During the period ended September 30, 2023, there are no off balance sheet SPVs sponsored by the Bank, which needs to be consolidated as per accounting norms (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil).

20. Transfers to Depositor Education and Awareness Fund (DEAF)

During the period ended September 30, 2023, no amount was required to be transferred to Depositor Education and Awareness Fund. (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil)

21. Penalties levied by the RBI

During the period ended September 30, 2023, no penalty was imposed by the Reserve Bank of India on the Bank. (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil)

22. Other Disclosures

a) Business ratio

Particulars	As at and for the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
i) Interest income as a percentage of working funds[1]	14.10%	13.14%	13.61%	13.48%	15.34%
ii) Net interest income as a percentage of working funds[1]	7.47%	7.07%	7.35%	6.87%	7.76%
iii) Non-interest income as a percentage of working funds[1]	2.66%	2.76%	2.77%	1.66%	1.37%
iv) Cost of Deposits[10]	7.54%	6.57%	6.93%	7.19%	8.07%
v) Net Interest Margin[2]	7.97%	7.62%	7.84%	7.26%	8.27%
vi) Operating profit[3] as a percentage of working funds[1]	4.21%	4.09%	4.43%	2.90%	2.69%
vii) Return on average assets[4]	1.61%	0.52%	1.13%	0.09%	0.44%
viii) Return on Equity Ratio[5]	19.60%	8.00%	16.70%	1.52%	6.42%
ix) Debt-Equity Ratio[6]	20.68	24.39	3.49	3.76	4.32
x) Business[7] (deposit plus net advances) per employee[8] (in ₹ million)	17.94	16.63	18.53	14.38	13.70
xi) Profit per employee[8] (in ₹ million)	0.110	0.040	0.156	0.010	0.045
xii) Provision coverage ratio[9]	64.92%	34.14%	34.01%	32.19%	27.89%

Notes:

1. Working funds represent the monthly average of total assets (excluding accumulated losses, if any) computed for reporting dates of Form X submitted to RBI under Section 27 of the Banking Regulation Act, 1949 for the current year.

2. Net Interest Income/ Average Earning Assets. Net Interest Income= Interest earned – Interest expensed, Average Earning Assets = Advances + Interest earning deposits and investments.

3. Operating profit is net profit for the year before provisions and contingencies.
4. Return on average assets is computed with reference to average working funds.
5. Return on equity ratio is computed with reference to monthly average of total equity (including reserve & surplus).
6. Debt-equity ratio is computed with reference to total borrowings to total equity as of financial year end.
7. "Business" is the total of net advances and deposits (net of inter-bank deposits).
8. Productivity ratios are based on average employee number.
9. Provision Coverage Ratio (PCR) is NPA provision as a percentage of Gross Advances. In PCR computation both denominator and numerator does not include technical write offs. Including technical write off, PCR is 95.46% (September 30, 2022: 84.83%, March 31, 2023: 88.89%, March 31, 2022: 86.82%, March 31, 2021: 82.43%).
10. Percentage of Interest expensed on deposits to average deposits of reporting dates of Form X

b) Bancassurance business

Nature of Income	For the half year ended		As at and for the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Towards selling of life insurance policies	147.07	79.34	206.80	167.11	162.98
Towards selling of non-life insurance policies	42.84	29.98	64.50	46.50	26.32
Total	**189.91**	**109.32**	**271.30**	**213.61**	**189.30**

c) Marketing and distribution

The Bank has received ₹ 322.73 million in respect of Marketing and Distribution function (excluding bancassurance business) during the period ended September 30, 2023 (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil).

d) Priority Sector Lending Certificates ('PSLCs'):

The Bank enters into transactions for the sale or purchase of Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligations and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligations through the RBI trading platform. There is no transfer of risks or loan assets in such transactions. The details of purchase / sale of PSLC during the period/year are as under:

PSLC Category	For the half year ended			
	September 30, 2023		September 30, 2022	
	PSLC Bought	PSLC Sold	PSLC Bought	PSLC Sold
Agriculture	-	-	-	-
Small and Marginal Farmers	-	19,000.00	-	14,250.00
Micro Enterprises	-	24,000.00	-	7,000.00
General	-	-	-	14,500.00
Total	**-**	**43,000.00**	**-**	**35,750.00**

PSLC Category	As at and for the year ended					
	March 31, 2023		March 31, 2022		March 31, 2021	
	PSLC Bought	PSLC Sold	PSLC Bought	PSLC Sold	PSLC Bought	PSLC Sold
Agriculture	11,000.00	-	-	1,000.00	-	-
Small and Marginal Farmers	-	14,250.00	-	-	-	-
Micro Enterprises	-	7,000.00	-	4,000.00	-	-
General	-	14,500.00	-	5,100.00	-	-
Total	**11,000.00**	**35,750.00**	**-**	**10,100.00**	**-**	**-**

JANA SMALL FINANCE BANK LIMITED
Annexures forming part of Restated Summary Statements
(All amounts are in Indian Rupees in Million unless otherwise stated)

e) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head 'Expenditure' in Profit and Loss Account

Particulars	For the half year ended		For the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
(i) Provision for NPI	-	-	-	-	-
(ii) Provision towards NPAs (including bad debts written off)	3,457.35	3,933.63	6,846.43	6,140.24	2,915.78
(iii) Provision made towards Income tax	-	-	-	-	-
(iv) Other Provisions and Contingencies	-	-	-	-	-
Provision for standard assets*	(145.88)	13.60	818.87	25.86	(31.23)
Provision for restructured standard assets (including Diminution In Fair Value)	(28.33)	(157.88)	(223.59)	(483.56)	813.47
Provisions for depreciation on Investment	153.72	-	(0.12)	(3.92)	4.03
Provisions for frauds and others	(8.02)	0.85	2.44	14.59	(36.13)
Total	**3,428.84**	**3,790.20**	**7,444.03**	**5,693.21**	**3,665.92**

* Provision is maintained at rates higher than the regulatory minimum, on standard advances based on evaluation of the risk and stress in unsecured advances in SMA category as approved by the Board. Additional provision of ₹ 427.60 million on standard advances is made as at September 30, 2023 (September 30, 2022: Nil, March 31, 2023: 710 million, March 31, 2022: Nil, March 31, 2021: Nil)

f) Disclosure of material items
(i) Details of "Miscellaneous Income" under the head "Annexure 19-Other Income" exceeding one per cent of total income

Particulars	for the half year ended		For the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Income from Sale of PSL Certificates	418.65	495.18	495.18	127.11	0.00
Income of Sale of assets to ARCs	531.80	834.96	1,865.92	0.00	0.00
Recoveries from written off accounts	267.15	192.25	706.47	574.24	528.24

(ii) Details of "Other expenditure" under the head "Annexure 20-Operating Expenses exceeding one percent of the total income

Particulars	for the half year ended		For the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Travel and conveyance	294.08	215.07	478.29	350.39	253.27
Professional fees (including technology expense)	999.48	698.77	1,479.65	1,055.12	980.42

(iii) Details of Other Liabilities and Provisions "Others" exceeds one per cent of the total assets.

Particulars	for the half year ended		For the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Expense Provision	1,728.42	693.15	1,155.08	757.15	602.21
Employees related provision	437.59	280.58	404.51	292.21	366.13
TDS and GST Provision	175.42	132.52	195.54	164.08	147.65
Provision for Rent Equalisation	147.40	163.30	151.78	167.80	200.74
Insurance related liability	44.70	43.93	48.35	54.66	21.49
Pending Settlement Transactions	27.86	15.16	19.38	26.29	58.69
Others	1,350.13	1,437.09	972.84	578.19	78.97
Total	**3,911.52**	**2,765.73**	**2,947.48**	**2,040.38**	**1,475.88**

(iv) Details of item of Others under Other Assets head exceeds one per cent of the total Asset
There are no item of Others under Other Assets head exceeds one per cent of the total asset during the period/year ended September 30, 2023, September 30, 2022, March 31, 2023 , March 31, 2022 and March 31, 2021.

g) Inter-bank Participation (IBPC) with risk sharing

The Bank has raised funds through the sale of IBPCs with risk sharing. The outstanding balance of IBPCs (risk sharing) is ₹ 900.00 million as on September 30, 2023, (September 30, 2022: ₹ 15,370.00 million. March 31, 2023: ₹ 11,350.00 million, March 31, 2022: ₹ 19,627.50 million, March 31, 2021: ₹ 8,898.80 million).

h) Implementation of IFRS converged Indian Accounting Standards (Ind AS)
The Ministry of Corporate Affairs, in its press release dated January 18, 2016, had issued a roadmap for implementation of Indian Accounting Standards (IND-AS) for scheduled commercial banks, insurers/insurance companies and non-banking financial companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. This roadmap required these institutions to prepare IND-AS based financial statements for the accounting periods beginning April 1, 2018 with comparatives for the periods beginning April 1, 2017. The implementation of IND-AS by banks requires certain legislative changes in the format of financial statements to comply with the disclosures required under IND-AS. In April 2018, the RBI deferred the implementation of IND-AS by a year by when the necessary legislative amendments were expected. The legislative amendments recommended by the RBI are under consideration by the Government of India. Accordingly, the RBI, through its circular dated March 22, 2019, deferred the implementation of IND-AS until further notice.

i) Payment of DICGC Insurance Premium

Particulars	For the half year ended		For the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2021	March 31, 2021
i) Payment of DICGC Insurance Premium (Including GST)	90.98	78.73	160.56	152.45	120.11
ii) Arrears in Payment of DICGC Premium	-	-	-	-	-
Total	**90.98**	**78.73**	**160.56**	**152.45**	**120.11**

j) Proposed Dividend
During the period ended September 30, 2023, the Bank has not proposed any dividend (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil)

k) Disclosure of Letters of Comfort (LoC) issued by the Bank

The Bank has not issued any letters of comfort during the period ended September 30, 2023 (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil)

(All amounts are in Indian Rupees in Million unless otherwise stated)

l) Investor education and protection fund

There is no amount required to be transferred to Investor Education and Protection Fund by the Bank for the period ended September 30, 2023, (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil).

m) Details of payments to Auditors as per the Profit and Loss Account

Particulars	For the half year ended		For the year ended		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Audit Fees	6.00	6.00	11.77	9.59	9.72
Tax audit fees	-	-	0.22	0.22	0.20
Other services	0.08	0.44	0.28	0.21	0.66
Out-of pocket expenses	0.30	(0.10)	0.15	0.01	0.25
Total	**6.38**	**6.34**	**12.42**	**10.03**	**10.83**

n) Long term contracts

The Bank has a process whereby periodically all long term contracts including derivative contracts if any, are assessed for material foreseeable losses. At the period end, the Bank has reviewed and ensured that no provision is required under any law or accounting standard on such long term contracts as on September 30, 2023 (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil).

o) Provision for credit card and debit card reward points

The Bank is not providing any reward points on debit cards. Further the Bank has not issued any credit card during the period ended September 30, 2023, (September 30, 2022: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil).

p) Deferred Tax Assets

The Bank has not recognised deferred tax asset or deferred tax liability for the current year and previous year. Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is virtually certain to be realized.

The Bank has carried forward business losses on which, the net deferred tax asset amounting to ₹ 10,238.90 million as at September 30, 2023 (₹ 10,059.28 million as at September 30, 2022,₹ 10,767.90 million as at March 31, 2023, ₹ 10,281.12 million as at March 31, 2022, ₹ 10,184.64 million as at March 21, 2021) has not been recognised in the absence of virtual certainty. The said amount is available for set off against future income tax liability subject to availability of sufficient taxable income in the years of set off.

q) Leases

Operating lease primarily comprises of office premises; which are renewable at the option of the Bank. The following table sets forth the details of future rentals payable on non-cancellable operating leases:

Particulars	As at		As at		
	September 30, 2023	September 30, 2022	March 31, 2023	March 31, 2022	March 31, 2021
Not later than one year	31.05	52.39	52.64	51.06	21.12
Later than one year but not later than five years	17.67	115.47	88.93	141.56	85.21
Later than five years	-	-	-	-	-
Minimum lease payments recognised in Profit and Loss Account	427.79	357.25	754.10	708.56	814.16
- Of which lease expense pertaining to non-cancellable leases	15.47	26.09	52.39	40.58	45.23

The terms of renewal and escalation clauses are those normally prevalent in similar agreements, there are no undue restrictions or onerous clauses in the agreement. All other operating lease agreements entered into by the Bank are cancellable in nature.

The Bank has not sub- leased any of the properties taken on lease. There are no provisions relating to contingent rent.

r) Corporate Social Responsibility (CSR)

Gross amount required to be spent on CSR activities by the Bank for the period ended September 30, 2023 is ₹ 23.64 million (September 30, 2022: ₹ 8.71 million, March 31, 2023: ₹ 8.71 million, March 31, 2022: Nil, March 31, 2021: Nil) under section 135 of the Companies Act, 2013.

I) Amount spent during the half year ended September 30, 2023

Particulars	Amount spent	Amount unpaid /provision	Total
i) Construction /acquisition of asset	13.82	-	13.82
ii) on purpose other than (i) above	4.03	-	4.03
Total	**17.85**	**-**	**17.85**

II) Amount spent during the half year ended September 30, 2022

Particulars	Amount spent	Amount unpaid /provision	Total
i) Construction /acquisition of asset	-	-	-
ii) on purpose other than (i) above	0.90	-	0.90
Total	**0.90**	**-**	**0.90**

I) Amount spent during the year ended March 31, 2023

Particulars	Amount spent	Amount unpaid /provision	Total
i) Construction /acquisition of asset	6.85	-	6.85
ii) on purpose other than (i) above	1.86	-	1.86
Total	**8.71**	**-**	**8.71**

II) Amount spent during the year ended March 31, 2022

Particulars	Amount spent	Amount unpaid /provision	Total
i) Construction /acquisition of asset	-	-	-
ii) on purpose other than (i) above	1.18	-	1.18
Total	**1.18**	**-**	**1.18**

III) Amount spent during the year ended March 31, 2021

Particulars	Amount spent	Amount unpaid /provision	Total
i) Construction /acquisition of asset	-	-	-
ii) on purpose other than (i) above	7.64	-	7.64
Total	**7.64**	**-**	**7.64**

s) IPO Expenses

As on September 30, 2023, September 30, 2022, March 31, 2023, March 31, 2022, March 31, 2021, the Bank incurred expenses in connection with ongoing Initial Public Offer ("IPO"). Which include payment made to Merchant Bankers, Legal Counsel, Statutory Auditors, and other incidental expenses amounting to ₹ 78.89 million, Nil, ₹ 21.53 million, ₹ 55.20 million, ₹ 11.20 million, respectively. In accordance with the accounting policy approved by the Board, the provision of the Companies Act 2013, and Banking Regulation Act, 1949 the Share Issue Expenses are eligible to drawn from share premium account. As the process of IPO is still in progress the said expenses are included under "others" in the "other assets" [(Refer Annexure 16(vi)] of the Restated Statements of Assets and Liabilities.

t) Small and micro industries

Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments for the period/year ended September 30, 2023 (September 30, 2023: Nil, March 31, 2023: Nil, March 31, 2022: Nil, March 31, 2021: Nil). The above is based on the information available with the Bank, which has been relied upon by the auditors.

u) Change in accounting policy

The Bank has followed consistently the same significant accounting policies in the preparation of annual financial results for the period/year ended September 30, 2023, September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, except for the following:

(i) RBI vide its clarification dated August 30, 2021, on Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending March 31, 2021. Accordingly, the Bank has changed its accounting policy from intrinsic value method to the fair value method for such class of employees. The fair value of the stock-based compensation is estimated on the date of grant using Black-Scholes model and is recognised as compensation expense over the vesting period. As a result of changes in RBI guidelines on share-based payment, 'Employees Cost' for the year ended March 31, 2021 is lower by ₹ 1.80 million with a consequent impact on profit after tax.

(ii) The Recognition of charges and penal charges on advances which was recognised on accrual basis upto March 31, 2021, has undergone a change and is recognised on receipt basis from April 01, 2021 onwards. As a result of above change in the accounting policy, restated other income, total income and profit for the year ended March 31, 2021 is lower to the extent ₹ 120.67 million and with corresponding higher impact in other income, total income and profit for the year ended March 31, 2022.

v) Code on Social Security

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and postemployment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. The effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are not yet issued. The Bank will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

w) Listing requirement for equity shares of the Bank

As per Small Finance Bank Licensing Guidelines issued by the RBI, the equity shares of the Bank were required to be listed on a stock exchange in India within three years from the date of commencement of banking business i.e., by March 27, 2021. The Bank had filed draft red herring prospectus (DRHP) with Securities Exchange Board of India (SEBI) on March 31, 2021 and received SEBI's approval dated July 09, 2021 to raise funds through IPO. Approval on the said DRHP has expired on July 8, 2022.The Bank has re-submitted the DRHP with SEBI on July 30, 2023, and received the approval from SEBI on November 07, 2023.

x) Disclosure under Rule 11 (e) of the Companies (Audit and Auditors) Rules, 2014

The Bank, as part of its normal banking business, grants loans and advances to its constituents including foreign entities with permission to lend or invest or provide guarantee or security or the like in other entities identified by such constituents. Similarly, the Bank accepts deposits from its constituents, who may instruct the Bank to lend/invest/provide guarantee or security or the like against such deposit in other entities identified by such constituents. These transactions are part of Bank's normal banking business, which is conducted after exercising proper due diligence including adherence to "Know Your Customer" guidelines as applicable in respective jurisdiction.

Other than the nature of transactions described above, the Bank has not advanced / lent / invested / provided guarantee or security to or in any other person with an understanding to lend/invest/provide guarantee or security or the like to or in any other person. Similarly, other than the nature of transactions described above, the Bank has not received any funds from any other person with an understanding that the Bank shall lend or invest or provide guarantee or security or the like to or in any other person.

y) Comparatives

Figures for the previous year have been regrouped and reclassified wherever necessary to conform with the current year's presentation.

As per our report of even date

For Brahmayya & Co.,
Chartered Accountants
ICAI Firm Registration No.000515S

G. Srinivas
Partner
Membership Number: 086761
Bengaluru, January 20, 2024

For M M Nissim & Co LLP
Chartered Accountants
ICAI Firm Registration No: 107122W/W100672

Navin Kumar Jain
Partner
Membership No: 090847
New Delhi, January 20, 2024

For and on behalf of the Board of Directors of Jana Small Finance Bank Ltd
(CIN: U65923KA2006PLC040028)

Krishnan Subramania Raman
Executive Director
DIN: 10380292

Ajay Kanwal
Managing Director & CEO
DIN: 07886434

Ramesh Ramanathan
Director
DIN: 00163276

Abhilash Sandur
Chief Financial Officer

Lakshmi R N
Company Secretary
Membership Number: ACS 14234

Bengaluru, January 20, 2024

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	For the six month period ended September 30, 2023	For the six month period ended September30, 2022	As at/ for the year ended March 31, 2023	As at/ for the year ended March 31, 2022	As at for the year ended March 31, 2021
Basic Earnings per Equity Share (₹) (Refer Note 1)	33.26*	10.52*	47.47	3.44	14.25
Diluted Earnings per Equity Share (₹) (Refer note 2)	29.45*	9.76*	42.64	3.21	13.46
Return on Net Worth (%) (Refer to note 3)*	8.37%	3.53%	14.40%	1.47%	6.56%
Net Asset Value per Equity Share (₹) (Refer Note 4) *	346.42	286.90	323.23	230.41	217.00
EBITDA (₹ in million) (Refer note 5)	2,470.06	913.44	3,246.60	982.86	1,549.37

* *Not annualised*

Notes:

1. *Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.*
2. *Diluted earnings per equity share is computed by dividing net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares including potential equity shares outstanding as at the end of the year, except when results are anti dilutive. The dilutive impact is on account of stock options granted to employees and CCPS.*
3. *Return on net worth (%) is computed using Net Profit after tax, as restated, attributable to equity shareholders divided by Net worth at the end of the period/years*
4. *Net asset value per equity share (₹) is computed using Net worth at the end of the period/years divided by total number of equity shares outstanding at the end of period/years*
5. *Earnings before interest, tax, depreciation and amortisation (EBITDA) has been arrived at by adding back depreciation and tax expense to the Net Profit.*

In accordance with the SEBI ICDR Regulations the audited financial statements of our Bank for the Fiscals ended March 31, 2023, March 31 2022 and March 31, 2021, (collectively, the "**Audited Financial Statements**") are available on our website at https://www.janabank.com/about-us/disclosures/#audited-jsfb-financials.

Our Bank is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Bank and should not be relied upon or used as a basis for any investment decision. None of our Bank or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., AS 18 'Related Party Disclosures' issued by the ICAI, read with the SEBI ICDR Regulations, during the six months ended September 30, 2023, September 30, 2022 and for Fiscals 2023, 2022 and 2021, see "*Financial Statements – Annexure 23 – Note 17*" on page 452.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. This section should be read in conjunction with "Risk Factors", "Industry Overview", "Our Business", "Selected Statistical Information", and "Financial Statements" on pages 37, 215, 255, 371 and 388, respectively, before making an investment decision in relation to the Equity Shares.

This section contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from such forward-looking statements. For details, see "Forward-Looking Statements" on page 35.

Certain Non-GAAP Financial Measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Prospectus. For more details, see "Selected Statistical Information – Certain Non-GAAP Financial Measures" on page 386.

Unless otherwise indicated, industry and market data used in this section have been derived from Fitch Report, which was prepared by Fitch Solutions. We commissioned Fitch Solutions to prepare the Fitch Report specifically for the purpose of the Offer for an agreed fee pursuant to the engagement letter dated June 19, 2023 and an addendum dated November 16, 2023. A copy of the Fitch Report was available on our Bank's website at https://www.janabank.com/about-us/disclosures/#industry-report from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Overview

We are the fourth largest Small Finance Bank in terms of AUM and the fourth largest Small Finance Bank in terms of deposit size as at September 30, 2023. (*Source: Fitch Report*). As at September 30, 2023, we had 771 banking outlets, including 278 banking outlets in unbanked rural centres, in 22 states and two union territories. We have served nearly 12 million customers since 2008, including 4.87 million active customers as at September 30, 2023.

We were incorporated on July 24, 2006, registered as a non-banking finance company ("**NBFC**") on March 4, 2008, and we were awarded non-banking finance company-microfinance institution ("**NBFC-MFI**") status on September 5, 2013. We started operating as a Small Finance Bank with effect from March 28, 2018 and became a Scheduled Commercial Bank on July 16, 2019. For more details on our history and our major events and milestones, see "*History and Certain Corporate Matters*" on page 334.

We have gained an understanding of the financial needs of underbanked and underserved customers over the past 16 years. During this journey, apart from obtaining an in-depth understanding of customer behaviour and requirements in the segment, we have taken multiple steps to improve the customer experience. This has been achieved through a combination of measures, such as digital sourcing and digital disbursement of loans.

Our primary secured loan products are secured business loans, micro loans against property ("**Micro LAP**"), MSME loans, affordable housing loans, term loans to NBFC, loans against fixed deposits, two-wheeler loans and gold loans. Our primary unsecured loan products are individual and micro business loans, agricultural and allied loans, and group loans (group loans are offered to a group of women as per the Joint Liability Group ("**JLG**") model). Our gross advances has increased from ₹118,389.82 million as at March 31, 2021 to ₹180,007.41 million as at March 31, 2023, representing a CAGR of 23.31%, and further increased to ₹213,471.30 million as at September 30, 2023, an increase of 18.59% . Since becoming a Small Finance Bank, we have focused on increasing our secured gross advances to diversify our advances, and within unsecured advances, we have focused on growing our agricultural and allied loans. Our gross secured advances has increased from ₹50,760.00 million as at March 31, 2021 to ₹99,047.54 million as at March 31, 2023, representing a CAGR of 39.69%, and further increased to ₹122,577.38 million as at September 30, 2023, an increase of 23.76%, and our gross advances of agricultural and allied loans has increased from ₹15,510.70 million as at March 31, 2021 to ₹30,944.43 million as at March 31, 2023, representing a CAGR of 41.25% and further increased to ₹36,141.39 million as at September 30, 2023, an increase of 16.79%. Our secured gross advances as a percentage of total gross advances has increased from 42.87% as at March 31, 2021 to 57.42% as at September 30, 2023. Our agricultural and allied loans as a percentage of our gross advances has increased from 13.10% as at March 31, 2021 to 16.93% as at September 30, 2023. The table below sets forth our gross advances by secured advances and unsecured advances (including agricultural and allied loans) and as percentage of total gross advances as at the dates indicated.

Particulars	As at September 30, 2023		As at March 31,					
			2023		2022		2021	
	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances	Gross advances (₹ in millions)	% of total gross advances
Secured advances	122,577.38	57.42	99,047.54	55.02	70,271.26	53.03	50,760.00	42.87
Unsecured advances:	90,893.92	42.58	80,959.87	44.98	62,231.95	46.97	67,629.82	57.13
Of which:								
Agricultural and allied loans	*36,141.39*	*16.93*	*30,944.43*	*17.19*	*18,770.00*	*14.17*	*15,510.70*	*13.10*
Total gross advances	**213,471.30**	**100.00**	**180,007.41**	**100.00**	**132,503.20**	**100.00**	**118,389.82**	**100.00**

We have been able to leverage the strength of the "Jana" brand to rapidly grow our deposit portfolio since we commenced operations as a Small Finance Bank in March 2018. As an NBFC-MFI, we were not permitted to accept deposits as per applicable laws in India. Our deposits have increased from ₹123,162.58 million as at March 31, 2021 to ₹163,340.16 million as at March 31, 2023, representing a CAGR of 15.16%, and further increased to ₹189,367.24 million as at September 30, 2023, an increase of 15.93%. We were among the top four Small Finance Banks in India in terms of deposit size as at September 30, 2023. (*Source: Fitch Report*). We have placed a strong emphasis on increasing our Retail Deposits (which comprises single Rupee term deposits of less than ₹20.00 million ("**Retail Term Deposits**") plus CASA), as they have lower rates of interest compared to Bulk Deposits (single Rupee term deposits of ₹20.00 million or more) and are more likely to stay deposited with us over a longer period compared to Bulk Deposits. We were amongst the top five Small Finance Banks in term of share of Retail Deposits (comprising CASA and Retail Term Deposits) as a percentage of total deposits among all Small Finance Banks as at March 31, 2023. (*Source: Fitch Report*). The following table sets forth our deposits by category of deposits and the percentage composition by each category of deposits as at the dates indicated.

Particulars	As at September 30, 2023		As at March 31,					
			2023		2022		2021	
	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits	Amount (₹ in millions)	% of total deposits
Demand deposits [A]	9,125.89	4.82	7,123.88	4.36	7,661.51	5.66	5,787.83	4.70
Savings bank deposits [B]	29,670.13	15.67	25,885.69	15.85	22,829.22	16.86	14,276.30	11.59
CASA [C = A + B]	***38,796.02***	***20.49***	***33,009.57***	***20.21***	***30,490.73***	***22.52***	***20,064.13***	***16.29***
Term deposits	150,571.22	79.51	130,330.59	79.79	104,874.19	77.48	103,098.45	83.71
Of which:								
Retail Term Deposits [D]	*88,479.10*	*46.72*	*81,681.36*	*50.01*	*72,191.41*	*53.33*	*70,461.29*	*57.21*
Bulk Deposits	*62,092.12*	*32.79*	*48,469.23*	*29.78*	*32,682.78*	*24.14*	*32,637.16*	*26.50*
Retail Deposits [E = C + D]	***127,275.12***	***67.21***	***114,690.93***	***70.22***	***102,682.14***	***75.86***	***90,525.42***	***73.50***
Total deposits	**189,367.24**	**100.00**	**163,340.16**	**100.00**	**135,364.92**	**100.00**	**123,162.58**	**100.00**

Our access to a diversified Retail Deposit base has helped to decrease our Cost of Funds from 8.61% for Fiscal 2021 to 7.55% for the half year ended September 30, 2023. The table below sets forth our Cost of Funds for the periods and years indicated.

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
Cost of Funds[(1) (*)] (%)	7.55%	6.74%	7.02%	7.37%	8.61%

Note:

2. *Cost of Funds is the ratio of interest expended to Average Total Interest-Bearing Liabilities ("**Cost of Funds**"). Average Total Interest-Bearing Liabilities are total interest-bearing liabilities calculated on basis of the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year ("**Average Total Interest-Bearing Liabilities**").*

* *Non-GAAP Financial Measure.*

We are also a corporate agent for third-party life insurance products, general (non-life) insurance products and health insurance products, including COVID-19 insurance products. We also offer Point of Sales ("**POS**") terminals and payment gateway services through our merchant acquiring partners.

In addition to delivering our products and services through banking outlets and ATMs, we deliver our products and services through business correspondents, ATM cum debit cards, mobile banking platforms, internet banking portals and SMS alerts.

In line with our vision, we have been upgrading our technology platforms. A significant proportion of our sourcing and collections across assets and liabilities are digitalised using mobile phones / tablets, with an emphasis on straight through processing while incorporating fraud and regulatory checks. PAN validation, e-KYC, credit bureau checks supporting multiple bureaus, and AML checks are fully automated using an integration layer. Our digital liability account opening platform, DIGIGEN (www.janadigi.com), provides a fully digital self on-boarding platform for opening accounts. DIGIGEN, coupled with our video-KYC platform enables digital only deposit accounts to be opened by our customers. We have also invested in various technologies, infrastructure, and tools to drive data analytics and to convert our data into impactful insights on the behavioural trends of our customers and prospective customers.

Our Shareholders include TPG, HarbourVest Group, Amansa Capital, Morgan Stanley and Hero Ventures. The table below sets forth details of the funds we have raised through the issuance of Equity Shares allotted pursuant to preferential allotments and rights issues and the issuance of Preference Shares in the period/years indicated.

S. No	Particulars	Half year ended September 30, 2023		Year ended March 31, 2023		2022		2021	
		Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)	Amount (₹ in millions)	Issue Price (₹)
(i)	Equity Shares allotted pursuant to a preferential allotment, including premium	-	-	250.00	968.56	660.00	968.56	-	-
(ii)	Equity Shares allotted pursuant to a rights issue, including premium	4,499.44	302.98	1,917.73	580.55	-	-	-	-
(iii)	Equity Shares allotted pursuant to conversion of Preference Shares (including Equity Shares allotted pursuant to conversion of Preference Shares as stated in (v) below)	1,120.00	302.98	-	-	-	-	-	-
(iv)	Allotted Preference Shares	1,120.00	10.00	1,200.00	10.00	-	-	-	-
(v)	Preference Shares converted to Equity Shares as stated in (iii) above	(1,120.00)	302.98	-	-	-	-	-	-
	Total	**5,619.44**		**3,367.73**		**660.00**			

In addition to the above, our Bank, in consultation with the BRLMs, undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each, aggregating to ₹121.54 million, and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹1,009.99 million. The size of the Fresh Issue has been adjusted to ₹4,620.00 million.

For more details on the above referenced issuances of Equity Shares and Preference Shares, see "*Capital Structure-Share Capital History of our Bank*" on page 130.

We place an emphasis on good corporate governance and five out of our eight Directors are independent Directors.

Set forth below are certain Indian GAAP financial measures, Non-GAAP Financial Measures and operational data as at the dates and for the periods indicated:

Particulars	As at and for the half year ended September 30, 2023	2022	As at and for the year ended March 31, 2023	2022	2021
AUM[(1)] (₹ in millions)	230,295.58	170,567.55	201,018.01	153,473.37	127,705.26
Gross advances (₹ in millions)	213,471.30	149,920.24	180,007.41	132,503.20	118,389.82
Net advances (₹ in millions)	210,087.10	146,426.49	177,595.55	130,066.74	115,996.73
Disbursements (₹ in millions)	84,790.98	65,629.60	148,117.18	115,862.61	76,244.62
Gross NPAs as a percentage of gross advances (%)	2.44%	6.83%	3.94%	5.71%	7.24%
Net NPAs as a percentage of net advances (%)	0.87%	4.60%	2.64%	3.95%	5.33%
Yield on Average Total Interest Earning Assets[(2)] (%)	14.68%	13.87%	14.32%	14.36%	16.52%
Deposits (₹ in millions)	189,367.24	141,677.52	163,340.16	135,364.92	123,162.58
Credit to Deposits Ratio[(3)(*)] (%)	110.94%	103.35%	108.73%	96.09%	94.18%

Particulars	As at and for the half year ended September 30,		As at and for the year ended March 31,		
	2023	2022	2023	2022	2021
Retail Deposits to total deposit ratio(4) (%)	67.21%	75.91%	70.22%	75.86%	73.50%
Cost of Funds (*) (%)	7.55%	6.74%	7.02%	7.37%	8.61%
Net Interest Margin(5) (*) (%)	7.78%	7.47%	7.73%	7.32%	8.36%
Net Worth(6) (*) (₹ in millions)	25,689.65	15,949.58	17,770.69	11,845.58	11,007.65
CRAR (%)	17.50%	16.36%	15.57%	15.26%	15.51%
Number of active customers (in million)	4.87	4.11	4.57	3.67	3.15

Notes:

1. *AUM is advances under management and is calculated as the sum of gross advances, inter-bank participation certificates (IBPCs), assigned advances and advances sold to ARCs for which our Bank is acting as a collection agent ("**AUM**").*
2. *Yield on Average Total Interest-Earning Assets is calculated as the ratio of interest earned to Average Total Interest-Earning Assets. Average Total Interest-Earning Assets are total interest-earning assets calculated on the basis of the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year ("**Average Total Interest-Earning Assets**").*
3. *Credit to Deposits Ratio is calculated as a ratio of net advances divided by total deposits ("**Credit to Deposits Ratio**").*
4. *Retail Deposits is calculated as CASA (demand deposits from banks plus demand deposits from others plus savings bank deposits) plus Retail Term Deposits (single rupee deposits of less than ₹20 million).*
5. *Net Interest Margin is the ratio of Net Interest Income to Average Total Interest-Earning Assets ("**Net Interest Margin**"). Net Interest Income is interest earned minus interest expended ("**Net Interest Income**").*
6. *Net Worth is computed as the sum of capital and reserves and surplus ("**Net Worth**").*

* *Non-GAAP Financial Measure.*

The tables below set forth below certain key Indian GAAP financial measures and Non-GAAP Financial Measures data for our Bank and our listed peers as at and for the half year ended September 30, 2023 and as at and for the year ended March 31, 2023.

Name of the bank	As at and for the half year ended September 30, 2023				
	Gross advances (₹ in millions)	Total Capital Ratio (CRAR (2) (%)	Gross NPA % (3)	Net NPA % (4)	Return on Average Equity (5) (%)
Jana Small Finance Bank Limited*	213,471.30	17.50%	2.44%	0.87%	19.60%
Listed peers:					
AU Small Finance Bank Limited	650,285.11	22.40%	1.91%	0.60%	13.90%
Suryoday Small Finance Bank Limited	68,207.90	30.23%	2.90%	1.46%	12.20%
CreditAccess Grameen Limited	224,880.00	25.01%	0.77%	0.24%	24.70%
Spandana Sphoorty Financial Limited	90,520.00	36.60%	1.40%	0.42%	15.10%
Bandhan Bank Limited	107,630.00	20.60%	7.30%	2.30%	14%
Ujjivan Small Finance Bank Limited	265,740.00	25.20%	2.35%	0.09%	28.00%
Equitas Small Finance Bank Limited	312,290.00	21.33%	2.12%	0.91%	14.62%
Fusion Micro Finance Limited	100,264.30	28.78%	2.68%	0.65%	20.02%
Utkarsh Small Finance Bank Limited	148,920.00	24.82%	2.81%	0.16%	18.20%

Name of the bank	As at and for the year ended March 31, 2023				
	AUM (1) (₹ in millions)	Total Capital Ratio (CRAR)(2) (%)	Gross NPA % (3)	Net NPA % (4)	Return on Average Equity (5) (%)
Jana Small Finance Bank Limited*	201,018.02	15.57%	3.71%	2.48%	16.78%
Listed peers:					
AU Small Finance Bank Limited	591,580.00	23.59%	1.66%	0.42%	15.52%
Suryoday Small Finance Bank Limited	61,140.00	33.72%	3.13%	1.55%	5.03%
CreditAccess Grameen Limited	175,610.00	23.58%	1.21%	0.35%	17.81%
Spandana Sphoorty Financial Limited	85,110.00	36.87%	1.95%	0.58%	0.40%
Bandhan Bank Limited	1,091,200.00	19.76%	4.87%	1.17%	11.87%
Ujjivan Small Finance Bank Limited	240,850.00	25.81%	2.88%	0.04%	31.80%
Equitas Small Finance Bank Limited	278,610.00	23.80%	2.76%	1.21%	12.20%
Fusion Micro Finance Limited	92,960.00	27.94%	3.46%	0.87%	21.16%
Utkarsh Small Finance Bank Limited	139,571.08	20.64%	3.23%	0.39%	22.84%

Notes:

1. *AUM represents Advances under Management and is calculated as the sum of gross advances plus advances originated and transferred under securitization, assignment, and inter-bank participation certificates and sale to ARCs for which the company continues to hold collection responsibilities. AUM was not publicly available for many of our listed peers as at September 30, 2023.*
2. *CRAR (%) as of the last day of the relevant period/fiscal year as reported by the company.*
3. *Gross NPA % as reported by the company represents Gross NPAs to gross advances as of the last day of the relevant period/fiscal year.*
4. *Net NPA % disclosed by the company as of the last day of the relevant period/fiscal year.*

5. Return on Average Equity is calculated as the net profit for the relevant period/fiscal year to Average Net Worth for the relevant period/fiscal year, expressed as a percentage.

** Financial information is derived from the Restated Financial Statements.*

(Source for listed peers: Fitch Report).

For more details on our and our peers key performance indicators, see "*Basis for Offer Price*" on page 186.

Significant Factors Affecting our Financial Condition, Results of Operations and Cash Flows

Our financial condition, results of operations and cash flows have been and are expected to be continued to be influenced by numerous factors. The following factors are of particular importance.

Non-Performing Advances and Provisions and Write-offs for Non-Performing Advances as well as Provisions for Standard Assets and Restructured Standard Assets

Our ability to manage the credit quality of our loans, which we measure in part through NPAs, is a key driver of our results of operations. The RBI requires us to classify and, depending on the duration of non-payment, make a provision on loans that become NPAs, which are further sub-classified as sub-standard, doubtful and loss assets. As the number of our loans that become NPAs increase, the credit quality of our loan portfolio decreases. As a Small Finance Bank, RBI norms require classifying loans that are over 90 days past due as an NPA. For more details, see "*Selected Statistical Information – Non-Performing Advances*" on page 381.

All of our loans where the repayment terms of existing advances have been revised in order to extend the repayment period and / or decrease the instalment amount and/ or decrease the interest rate as per the borrower's request are marked as rescheduled loans. For further details, see "*Selected Statistical Information – Restructuring of Advances*" on page 385.

In accordance with RBI guidelines, a general provision is made on all standard advances based on the category of advances identified in the RBI's guidelines. Pursuant to the RBI's 'COVID-19 Regulatory Packages', which were announced on March 27, 2020, April 17, 2020 and May 23, 2020 (collectively, the "**COVID-19 Regulatory Packages**"), lending institutions, including us, were permitted to grant a moratorium of six months on the payment of all instalments and interest on term loans falling due between March 1, 2020 and August 31, 2020 (the "**Moratorium**"). The RBI's circulars in relation to the Moratorium required us to make a provision of 10.0% on loans that were subject to the Moratorium and that were overdue but standard as at February 29, 2020.

In addition to the general provision made on all standard advances based on the category of advances identified in the RBI's guidelines and a provision of 10.0% on loans that were subject to the Moratorium and that were overdue but standard as at February 29, 2020, we also make additional contingency provision on standard assets based on our evaluation of the risk and stress in unsecured advances in the SMA categories. There are three SMA sub-categories, i.e., SMA-0, SMA-1, and SMA-2. SMA-0 refers to those standard advances that are overdue between 1 to 30 days. SMA-1 refers to those standard advances that are overdue between 31 to 60 days. SMA-2 refers to those standard advances that are overdue between 61 to 90 days.

In accordance with RBI guidelines, a provision (including diminution in fair value ("**DIFV**")) is made on restructured standard assets based on the category of advances identified in the RBI's guidelines. If a restructured standard asset is repaid or becomes an NPA, the standard provision on such restructured asset is written-back.

The table set forth below sets forth, for the periods and years indicated, details of our (i) provision towards NPAs (including bad debts written off), (ii) provision for standard assets/(write back of provision for standard assets) and (iii) provision for restructured standard assets (including DIFV)/(write back of provision for structured standard assets (including DIFV)).

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)				
Provision towards NPAs (including bad debts written off)	3,457.35	3,933.63	6,846.43	6,140.24	2,915.78
Provision for standard assets/(write back of provision for standard assets)[(1)]	(145.88)	13.60	818.87	25.86	(31.23)
Provision for restructured standard assets (including DIFV)/(write back of provision for restructured standard assets (including DIFV))	(28.33)	(157.88)	(223.59)	(483.56)	813.47

Note:

1. Provision is maintained at rates higher than the regulatory minimum on standard advances based on evaluation of the risk and stress in unsecured advances in SMA category as approved by the Board. We made additional contingency provision on standard assets of ₹427.60 million, nil, ₹710.00 million, nil and nil for the half years ended September 30, 2023 and 2022 and Fiscals 2023, 2022 and 2021, respectively.

The following tables set forth information about our advances (including NPAs) and provisions for NPAs as at the dates indicated.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(₹ in millions, except percentages)			
Standard	208,258.17	172,915.55	124,934.16	109,809.98
Of which:				
SMA-1	*2,259.36*	*4,438.01*	*6,495.11*	*2,326.69*
SMA-2	*1,744.66*	*440.33*	*718.66*	*565.10*
Sub-standard	2,585.97	6,940.06	7,444.44	8,003.31
Doubtful	2,627.16	151.55	124.60	519.11
Loss	-	0.25	–	57.42
Total provision towards NPAs [A]	3,384.20	2,411.86	2,436.46	2,393.09
Gross Advances [B]	213,471.30	180,007.41	132,503.20	118,389.82
Gross NPAs [C]	5,213.13	7,091.86	7,569.04	8,579.84
Total provisions (including provision towards standard assets) (1) [D]	4,566.60	3,768.47	3,197.75	3,610.98
Total provisions (including provision towards standard assets) held as percentage of gross advances (%) [E = D/B] (*)	2.14%	2.09%	2.41%	3.05%
Provision Coverage Ratio (%) [F = A/C] (*)	64.92%	34.01%	32.19%	27.89%

Notes:

(1) Provision is maintained at rates higher than the regulatory minimum on standard advances based on evaluation of the risk and stress in unsecured advances in SMA category as approved by the Board. We had additional contingency provision on standard assets of ₹427.60 million, ₹710.00 million, nil and nil as at September 30, 2023, and March 31, 2023, 2022 and 2021, respectively.

(*) Non-GAAP Financial Measure.

The following table sets for the information on the movement in our NPAs for the periods and years indicated and information on our NPAs as at the dates indicted

Particulars	As at and for the half year ended September 30,		As at and for the year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in million, except percentages)				
Opening balance of Gross NPAs at the beginning of the period/year	7,091.86	7,569.04	7,569.04	8,579.84	3,208.10
Additions during the period/year	5,190.11	8,415.83	13,111.45	13,042.35	8,281.90
Less: Reductions during the period/year on account of recovery	(4,975.90)	(2,229.54)	(5,598.03)	(5,716.74)	(168.20)
Less: Reductions during the period/year on account of upgradations	(850.80)	(722.09)	(1,601.05)	(2,483.12)	(414.90)
Less: Reductions during the period/year on account of write-offs (including technical write-offs)	(1,242.14)	(2,798.33)	(6,389.55)	(5,853.29)	(2,327.03)
Gross NPAs [A]	5,213.13	10,234.80	7,091.86	7,569.04	8,579.84
Net NPAs [B](1)	1,828.93	6,741.13	4,680.00	5,132.58	6,186.75
Gross advances [C]	213,471.30	149,920.24	180,007.41	132,503.20	118,389.82
Net Advances [D](2)	210,087.10	146,426.49	177,595.55	130,066.74	115,996.73
Gross NPAs/Gross Advances (%) [E = A/C]	2.44	6.83	3.94	5.71	7.24
Net NPAs/Net Advances (%) [F = B/D]	0.87	4.60	2.64	3.95	5.33

Notes:

(1) Net NPAs are gross NPA less provisions for NPAs.

(2) Net advances are gross advances less provisions for NPAs.

Our gross NPAs decreased by ₹1,010.80 million, or 11.78%, from ₹8,579.84 million as at March 31, 2021 to ₹7,569.04 million as at March 31, 2022, which was primarily due to (i) reductions during the year on account of recovery from for Fiscal 2021 to ₹5,716.74 million for Fiscal 2022 (which amount was a ₹5,548.54 million increase from ₹168.20 million for Fiscal 2021), (ii) reductions during the year on account of write-offs (including technical write-offs) to ₹5,853.29 million for Fiscal 2022 (which amount was a ₹3,526.26 million, or 151.53%, increase from ₹2,327.03 million for Fiscal 2021). These reductions were partially offset by additions during the year of ₹13,042.35 million for Fiscal 2022 (which amount was a ₹4,760.45 million, or 57.48%, increase from ₹8,281.90 million for Fiscal 2021), which additions were primarily due to the adverse economic effects of the COVID-19 pandemic on our borrowers, which was more pronounced in Fiscal 2022.

Our gross NPAs increased by ₹2,665.76 million, or 35.22%, from ₹7,569.04 million as at March 31, 2022 to ₹10,234.80 million as at September 30, 2022, which was due to (i) additions during the period of ₹8,415.83 million for the half year ended

September 30, 2022, (ii) reductions during the period on account of write-offs (including technical write-offs) of ₹2,798.33 million for the half year ended September 30, 2022; (iii) reductions during the period on account of recovery of ₹2,229.54 million for the half year ended September 30, 2022 and (iv) reductions during the period on account of upgradations of ₹722.09 million for the half year ended September 30, 2022.

Our gross NPAs decreased by ₹477.18 million, or 6.30%, from ₹7,569.04 million as at March 31, 2022 to ₹7,091.86 million as at March 31, 2023, which was due to (i) reductions during the year on account of recovery of ₹5,598.03 million for Fiscal 2023; (ii) reductions during the year on account of write-offs (including technical write-offs) of ₹6,389.55 million for Fiscal 2023, (iii) reductions during the period on account of upgradations of ₹1,601.05 million for Fiscal 2023 and (iv) additions during the year of ₹13,111.45 million for Fiscal 2023.

Our gross NPAs decreased by ₹1,878.73 million, or 26.49%, from ₹7,091.86 million as at March 31, 2023 to ₹5,213.13 million as at September 30, 2023, which was due to (i) reductions during the period on account of recovery of ₹4,975.90 million for the half year ended September 30, 2023, (ii) reductions during the period on account of write-offs (including technical write-offs) of ₹1,242.14 million for the half year ended September 30, 2023; (iii) reductions during the period on account of upgradations of ₹850.80 million for the half year ended September 30, 2023 and (iv) additions during the period of ₹5,190.11 million for the half year ended September 30, 2023.

All of our individual and micro business loans, agricultural and allied loans, and group loans are unsecured. Customers availing unsecured loans typically have limited sources of income and savings and, as such, generally do not have a high level of financial resilience. Since these advances are unsecured, in the event of defaults by such customers, our ability to realise the amounts due to us would be restricted to initiating legal proceedings for recovery. Since becoming a Small Finance Bank, we have focused on increasing our secured advances to reduce the risk of loan losses and on growing our agricultural and allied loans advances within unsecured advances.

The table below sets forth our gross NPAs for agricultural and allied loans advances as a percentage of our gross agricultural and allied loans advances, our gross NPAs for unsecured advances (which also includes gross agricultural and allied loans advances) as a percentage of our gross unsecured advances, our gross NPAs for secured advances as a percentage of our gross secured advances and our total gross NPAs as a percentage of our gross advances as at the dates indicated.

Particulars	**As at September 30, 2023**	**As at March 31,**		
		2023	**2022**	**2021**
Gross agricultural and allied loans advances [A] (₹ in millions)	36,141.39	30,944.43	18,770.00	15,510.70
Gross NPAs of agricultural and allied loans advances [B] (₹ in millions)	581.18	645.35	1,242.80	1,517.81
Gross NPAs of agricultural and allied loans advances to gross agricultural and allied loans advances [C = B/A] (%)	**1.61**	**2.08**	**6.62**	**9.78**
Gross unsecured advances(2) [D] (₹ in millions)	90,893.92	80,959.87	62,231.95	67,629.82
Gross NPAs of unsecured advances(2) [E] (₹ in millions)	3,085.31	6,210.68	6,999.31	6,484.21
Gross NPAs of unsecured advances to gross unsecured advances(2) [F = E/D] (%)	**3.39**	**7.67**	**11.25**	**9.59**
Gross secured advances [G] (₹ in millions)	122,577.38	99,047.54	70,271.25	50,760.00
Gross NPAs of secured advances [H] (₹ in millions)	2,127.83	881.18	569.73	2,095.63
Gross NPAs of secured advances to gross secured advances [I = H/G] (%)	**1.74**	**0.89**	**0.81**	**4.13**
Total gross advances(1) [J] (₹ in millions)	213,471.30	180,007.41	132,503.20	118,389.82
Total gross NPAs [K] (₹ in millions)	5,213.13	7,091.86	7,569.04	8,579.84
Gross NPAs to total gross advances [L = K/J] (%)	**2.44**	**3.94**	**5.71**	**7.24**

Notes:
1. *Includes loans purchased under direct assignment.*
2. *Agricultural and allied loans advances are unsecured advances and are also included in this line item.*

For details on our gross NPAs by category of advance, see "*Our Business – Asset Products – Analysis of our gross NPA Portfolio by Category of Advance*" on page 288.

Changes in Interest Rates

Interest rate changes can have a significant impact on our profitability. Interest rates are sensitive to many factors, including the RBI's monetary policy, deregulation of the financial services sector in India, domestic and international economic and political conditions and other factors.

The following table sets forth the RBI's bank rate, the reverse repo rate and the repo rate as at the dates indicated:

As at	Bank Rate	Reverse Repo Rate	Repo Rate
March 31, 2021	4.25	3.35	4.00
March 31, 2022	4.25	3.35	4.00
September 30, 2022	6.50	3.35	5.90
March 31, 2023	6.75	3.35	6.50
September 30, 2023	6.75	3.35	6.50

(*Source: https://www.rbi.org.in/*)

Generally, an increase in interest rates tends to increase our interest earned as a result of higher Yield on Average Interest-Earning Advances. However, such an increase can also adversely affect our Yield on Average Interest-Earning Advances as a result of a decrease in the volume of advances due to reduced overall demand for advances. In addition, an increase in interest rates increases our Cost of Average Borrowings and can adversely affect our profitability if we are unable to pass on our increased funding costs to our customers. Finally, higher interest rates can increase the risk of default by our customers.

Conversely, a decrease in interest rates can reduce our interest earned as a result of lower yields on our advances. This reduction in interest earned may eventually be offset by an increase in the volume of advances that we make due to increased demand for our advances and/or a decrease in our Cost of Average Borrowings.

Net Interest Income

Our results of operations are substantially dependent upon the amount of our net interest income, which we define as interest earned less interest expended ("**Net Interest Income**").

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	**2022**	**2023**	**2022**	**2021**
Interest earned [A]	18,639.41	13,962.26	30,750.10	27,265.35	24,977.28
Interest expended [B]	8,763.07	6,443.64	14,149.90	13,367.52	12,345.79
Net Interest Income [C] = [A]-[B]	**9,876.34**	**7,518.62**	**16,600.20**	**13,897.83**	**12,631.49**

Our Net Interest Income increased by 31.36% from ₹7,518.62 million for the half year ended September 30, 2022 to ₹9,876.34 million for the half year ended September 30, 2023.

Our Net Interest Income increased by 10.03% from ₹12,631.49 million for Fiscal 2021 to ₹13,897.83 million for Fiscal 2022 and further increased by 19.44% to ₹16,600.20 million for Fiscal 2023.

Our interest earned is dependent on: (i) our average advances and the yield thereon; (ii) our average interest-earning investments and the yield thereon; and (iii) our average interest-earning balance with Reserve Bank of India and other inter-bank funds and the yield thereon.

Our interest expended is dependent on: (i) our average total deposits and the cost thereon; and (ii) our average borrowings and the cost thereon.

For a table setting for our Average Interest-Earning Advances, Yield on Average Interest-Earning Advances, Average Interest-Earning Investments, Yield on Average Interest-Earning Investments, Average Interest-Earning Balances with Reserve Bank of India and other Inter-Bank Funds and the Yield on Average Interest-Earning Balances with Reserve Bank of India and other Inter-Bank Funds, Average Deposits, Cost of Average Deposits, Average Borrowings and Cost of Average Borrowings and the definitions of those terms, see "*Selected Statistical Information – Average Balance Sheet, Interest Earned/Expended and Yield/Cost*" on page 371.

For tables setting forth the analysis of the changes in our interest earned and interest expended between average volume and changes in rates for the half year ended September 30, 2023 compared to the half year ended September 30, 2022, Fiscal 2023 compared to Fiscal 2022, and Fiscal 2022 compared to Fiscal 2021, see "*Selected Statistical Information – Analysis of Changes in Interest Earned and Interest Expended by Volume and Rate*" on page 372.

Average Interest-Earning Advances and Yield on Average Interest-Earning Advances

Our Average Interest-Earning Advances increased by 38.50% from ₹137,772.75 million for the half year ended September 30, 2022 to ₹190,814.35 million for the half year ended September 30, 2023. Our Yield on Average Interest-Earning Advances was 17.50% and 17.92% for the half years ended September 30, 2023 and 2022, respectively.

Our Average Interest-Earning Advances increased by 14.64% from ₹105,505.94 million for Fiscal 2021 to ₹120,952.41 million for Fiscal 2022 and increased further by 24.41% to ₹150,473.30 million for Fiscal 2023. Our Yield on Average Interest-Earning Advances was 18.09%, 19.94% and 21.81% for Fiscals 2023, 2022 and 2021, respectively.

The interest rates on our floating rate retail loans made on or after April 1, 2016 and on or before September 30, 2019 were based on our marginal cost of funds based lending rate ("**MCLR**"). With effect from 1 April 2016 to September 30, 2019, RBI guidelines required bank loans in India to be priced by reference to each bank's MCLR. Banks were required to review and publish their MCLR of different maturities every month. The RBI issued a circular on September 4, 2019 making it mandatory for banks to link all floating rate personal or retail loans and floating rate loans to micro and small borrowers to an external benchmark with effect from October 1, 2019. Further, the RBI through its circular dated February 26, 2020 mandated that all new floating rate loans to medium enterprises extended by banks from April 1, 2020 shall also be linked to an external benchmark. Banks are free to choose one of the several benchmarks indicated in the circular dated September 4, 2019. Banks are also free to choose their spread over the benchmark rate, subject to the condition that the credit risk premium may undergo a change only when a borrower's credit assessment undergoes a substantial change, as agreed upon in the loan contract. The interest rate of external benchmark linked floating rate loans is required be reset at least once in three months. Our floating rate loans are based on the six-month Treasury bill rate. For more details on the interest rates on our advances, see "*Our Business – Asset Products – Loan Pricing*" on page 289.

Average Interest-Earning Investments and Yield on Average Interest-Earning Investments

Scheduled commercial banks are currently required to maintain an SLR equivalent to 18.00% of their net demand and time liabilities to be invested in cash and Government or other RBI-approved securities. As our demand and time liabilities have been increasing, the amount of investments we have held to satisfy the SLR requirement have also increased. Our only interest-earning investments have been Government securities and Treasury bills.

Our Average Interest-Earning Investments decreased by 4.93% from ₹56,890.93 for the half year ended September 30, 2022 to ₹54,086.39 for the half year ended September 30, 2023. The Yield on Average Interest-Earning Investments was 6.15% and 5.20% for the half years ended September 30, 2023 and 2022, respectively.

Our Average Interest-Earning Investments increased by 36.12% from ₹37,852.87 million for Fiscal 2021 to ₹51,524.17 million for Fiscal 2022 and increased further by 8.49% to ₹55,899.73 million for Fiscal 2023. The Yield on Average Interest-Earning Investments was 5.82%, 4.97% and 4.54% for Fiscals 2023, 2022 and 2021, respectively.

Average Interest-Earning Balances with Reserve Bank of India and other Inter-Bank Funds and the Yield on Average Interest-Earning Balances with Reserve Bank of India and other Inter-Bank Funds

Our Average Interest-Earning Balances with Reserve Bank of India and other Inter-Bank Funds increased by 36.11% from ₹6,699.67 million for the half year ended September 30, 2022 to ₹9,118.90 million for the half year ended September 30, 2023. The Yield on Average Interest-Earning Balances with Reserve Bank of India and other Inter-Bank Funds was 6.06% and 4.05% for the half years ended September 30, 2023 and 2022, respectively.

Our Average Interest-Earning Balances with Reserve Bank of India and other Inter-Bank Funds increased by 122.58% from ₹7,811.02 million for Fiscal 2021 to ₹17,385.67 million for Fiscal 2022 and decreased by 52.23% to ₹8,304.69 million for Fiscal 2023. The Yield on Average Interest-Earning Balances with Reserve Bank of India and other Inter-Bank Funds was 3.40%, 3.37% and 3.11% for Fiscals 2023, 2022 and 2021, respectively.

Average Total Deposits and Cost of Average Total Deposits and Average Borrowings and Cost of Average Borrowings

Our interest-bearing liabilities are our deposits and borrowings. The cost of our interest-bearing liabilities depends on many external factors, including competitive factors and developments in the Indian credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the inter-bank markets. Internal factors that can affect our Cost of Funds include changes in our credit ratings, available credit limits and our ability to mobilise low-cost deposits, particularly from retail customers and CASA.

Our deposit products comprise current accounts (demand deposits), savings accounts and term deposits. Our primary source of funding is our relatively low-cost retail deposits (savings bank deposits plus term deposits of less than of ₹20.00 million ("**Retail Term Deposits**" and together with savings bank deposits "**Retail Deposits**"), When we were an NBFC-MFI, we were unable to accept deposits as per applicable laws in India. We have been able to leverage the strength of the "Jana" brand to rapidly grow our deposit portfolio since we commenced operations as a Small Finance Bank on March 28, 2018. Among the compared Small Finance Banks, we have the fourth largest deposit size as at September 30, 2023. (*Source: Fitch Report*). We have placed a strong emphasis on increasing our Retail Deposits as they have lower rates of interest compared to Bulk Deposits (term deposits of ₹20.00 million or more) and they tend to stay deposited with our Bank over a longer period compared to Bulk Deposits.

The tables below present our average balances for deposits together with the related interest expended by category of deposits, resulting in the presentation of the cost for each period and year indicated. Average balance is calculated as the average of the opening balance at the start of the relevant period/year and the closing balance as at quarter end for all quarters in the relevant period/year.

Particulars	As at and for the half year ended September 30,					
	2023			2022		
	Average Balance [A]	Interest Expended [B]	Cost (%) [C = B/A]	Average Balance [A]	Interest Expended [B]	Cost (%) [C = B/A]
	(₹ in millions, except percentages)					
Demand Deposits [A]	7,812.24	-	-	6,432.69	-	-
Savings Bank Deposits [B]	27,102.39	804.94	5.92	25,488.28	838.80	6.56
CASA [C] = [A + B]	**34,914.62**	**804.94**	**4.60**	**31,920.97**	**838.80**	**5.23**
Term Deposits [D]	138,685.69	5,707.91	8.28	105,335.45	3,647.45	7.31
Total [E] = [C+D]	**173,600.33**	**6,512.84**	**7.48**	**137,256.41**	**4,486.25**	**6.83**

Particulars	As at and for the year ended March 31,								
	2023			2022			2021		
	Average Balance [A]	Interest Expended [B]	Cost (%) [C = B/A]	Average Balance [A]	Interest Expended [B]	Cost (%) [C = B/A]	Average Balance [A]	Interest Expended [B]	Cost (%) [C = B/A]
	(₹ in millions, except percentages)								
Demand Deposits [A]	6,293.09	–	–	6,786.35	–	–	4,249.45	–	–
Savings Bank Deposits [B]	25,868.60	1,667.39	6.45	19,435.24	1,137.02	5.85	7,447.73	390.26	5.24
CASA [C] = [A + B]	**32,161.69**	**1,667.39**	**5.18**	**26,221.59**	**1,137.02**	**4.34**	**11,697.18**	**390.26**	**3.33**
Term Deposits [D]	113,344.83	8,356.66	7.37	102,451.07	8,167.32	7.97	95,459.52	8,312.83	8.71
Total [E] = [C+D]	**145,506.52**	**10,024.05**	**6.89**	**128,672.66**	**9,304.34**	**7.23**	**107,156.70**	**8,703.10**	**8.12**

Our borrowings comprise borrowings from India, which comprise borrowings from other banks (including subordinated debt (Tier II capital)) and borrowings from other institutions and agencies (including subordinated debt (Tier II capital) and refinance) and borrowings from outside India, which comprise external commercial borrowings.

Our Average Borrowings increased by 8.63% from ₹53,866.65 million for the half year ended September 30, 2022 to ₹58,514.98 million for the half year ended September 30, 2023. The Cost of Average Borrowings was 7.69% and 7.27% for the half years ended September 30, 2023 and 2022, respectively.

Our Average Borrowings increased by 44.98% from ₹36,294.92 million for Fiscal 2021 to ₹52,621.60 million for Fiscal 2022 and increased further by 6.74% to ₹56,166.33 million for Fiscal 2023. The Cost of Average Borrowings was 7.35%, 7.72% and 10.04% for Fiscals 2023, 2022 and 2021, respectively.

Operating Expenses

The amount of our operating expenses have a bearing on our profit/(loss) for the period/year. Our operating expenses were ₹7,831.59 million, ₹6,105.99 million for the half years ended September 30, 2023 and 2022, respectively, which represented 35.35% and 36.14% of our total income for those periods, respectively. Our operating expenses were ₹12,845.11 million, ₹11,388.21 million and ₹10,473.10 million for Fiscals 2023, 2022 and 2021, respectively, which represented 34.72%, 37.19% and 38.49% of our total income for those years, respectively.

The tables below sets forth certain details of our operating expenses for the periods and years indicated.

	Half year ended September 30,			
Particulars	2023		2022	
	Amount (₹ in millions)	% of Total Income	Amount (₹ in millions)	% of Total Income
Operating expenses	7,831.59	35.35	6,105.99	36.14
Of which:				
Payments to and	*4,710.86*	*21.26*	*3,655.90*	*21.64*

Particulars	Half year ended September 30,			
	2023		2022	
	Amount (₹ in millions)	% of Total Income	Amount (₹ in millions)	% of Total Income
provisions for employees				
Professional fees	*999.48*	*4.51*	*698.77*	*4.14*
Rent, taxes and lighting	*559.49*	*2.53*	*470.98*	*2.79*
Depreciation on Bank's property (including leased assets)	*337.88*	*1.53*	*357.10*	*2.11*

Particulars	Year ended March 31,					
	2023		2022		2021	
	Amount (₹ in millions)	% of Total Income	Amount (₹ in millions)	% of Total Income	Amount (₹ in millions)	% of Total Income
Operating expenses	12,845.11	34.72	11,388.21	37.19	10,473.10	38.49
Of which:						
Payments to and provisions for employees	*7,775.78*	*21.02*	*6,989.89*	*22.83*	*6,184.59*	*22.73*
Professional fees	*1,479.65*	*4.00*	*1,055.12*	*3.45*	*980.42*	*3.60*
Rent, taxes and lighting	*977.06*	*2.64*	*915.63*	*2.99*	*1,010.97*	*3.72*
Depreciation on Bank's property (including leased assets)	*686.89*	*1.86*	*808.15*	*2.64*	*826.77*	*3.04*

The Macroeconomic Environment in India

Our financial condition and results of operations in the past have been, and will continue to be, significantly affected by factors influencing the Indian economy, which would include any downturn in the global economy. Any slowdown in economic growth in India could adversely affect our ability to grow our asset portfolio, the quality of our assets and our ability to implement our strategies. The Government's monetary policy is heavily influenced by the condition of the Indian economy, and changes in the monetary policy affect the interest rates of our advances and borrowings. The RBI responds to fluctuating levels of economic growth, liquidity concerns and inflationary pressures in the economy by adjusting monetary policy.

For a summary of the recent macroeconomic environment in India, see "*Industry Overview – Overview of Indian Economy*" on page 215.

Changes in Laws, Rules and Regulations or the Introduction of New Laws, Rules and Regulations

We operate in a highly regulated industry and have to adhere to various laws, rules and regulations. For a description of the material laws, rules and regulations applicable to us, see "*Key Regulations and Policies*" on page 313. Any changes in the regulatory environment under which we operate could adversely affect our results of operations and financial condition. In addition, changes in laws and the introduction of new laws applicable to all businesses in India could also adversely affect our results of operations, financial condition and cash flows.

Various new laws, rules and regulations were introduced in response to the COVID-19 pandemic, including the RBI's 'COVID-19 Regulatory Packages' and the interim order passed by the Supreme Court of India in *Gajendra Sharma Vs Union of India & Anr*. For details, see "*Risk Factors – 51. COVID-19 has had and could continue to have an adverse effect on our business, financial condition, results of operations and cash flows*" on page 90.

Effects of the COVID-19 Pandemic

The World Health Organization (WHO) declared the outbreak of COVID-19 a global pandemic on March 11, 2020. The Government of India initiated a nation-wide lockdown from March 25, 2020 for three weeks on all services except for essential services (which included bank branches and ATMs), which was extended to May 31, 2020. While our Branches and Asset Centres were exempt from the nation-wide lockdown except in the COVID-19 red zones, they were operational as per the timings prescribed by the local authorities. The collection of the repayment amounts of our group loans, agricultural and allied loans and individual & micro business loans is carried out by our employees collecting the cash from the borrowers at their homes or business premises. In addition, our employees on the ground are primarily responsible for sourcing borrowers for these loans. Due to the nation-wide lockdown, the collection and disbursement activities for these loans were almost stopped entirely during the month of April and was severely curtailed in May 2020. Although the nation-wide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020 in multiple states across specific districts that were witnessing increases in COVID-19 cases. Effective June 1, 2020, loan collection and disbursement activities for these loans started functioning again in most of the centres, except in some areas where the effect of COVID-19 was severe and the respective state governments imposed restrictions on various activities. On September 1, 2020, the Government's notification dated August 29, 2020 that all states are to allow economic activities to function normally while continuing with restrictions only in containment zones came into effect. India witnessed a second wave of COVID-19 at the end of February 2021, leading to state governments imposing curfews and lockdowns in an attempt to control the spread of COVID-19. The second wave of COVID-19 also adversely affected the collection and disbursement activities for our group loans, agricultural and allied loans and individual and micro business loans.

The tables below set forth disbursements by unsecured advances and secured advances for the periods and Fiscals indicated.

Particulars	**Half year ended September 30,**			
	2023		**2022**	
	Disbursements (₹ in millions)	**% of total disbursements**	**Disbursements (₹ in millions)**	**% of total disbursements**
Secured advances	43,111.80	51.21	35,586.18	54.58
Unsecured advances	41,070.48	48.79	29,617.98	45.42
Total disbursements	**84,182.28**	**100.00**	**65,204.16**	**100.00**

Particulars	**Year ended March 31,**					
	2023		**2022**		**2021**	
	Disbursements (₹ in millions)	**% of total disbursements**	**Disbursements (₹ in millions)**	**% of total disbursements**	**Disbursements (₹ in millions)**	**% of total disbursements**
Secured advances	78,307.01	52.87	59,540.00	51.39	42,770.08	56.10
Unsecured advances	69,810.17	47.13	56,322.61	48.61	33,474.54	43.90
Total disbursements	**148,117.18**	**100.00**	**115,862.61**	**100.00**	**76,244.62**	**100.00**

The tables below set forth the collections of advances and collection efficiency by unsecured advances and secured advances (which includes advances covered by bank/government guarantees) for the periods and Fiscals indicated. Collection efficiency is measured as the portion of the portfolio that is stabilised/normalised/rolled-back based on collections received during each month in the period/Fiscal or advance payments collected earlier. Loans where there are no dues expected during a month are treated as resolved. The collection and demand due excludes prepayments and gold loans.

Particulars	**Half year ended September 30,**			
	2023		**2022**	
	Amount (₹ in millions)	**Average monthly collection efficiency (%)**	**Amount (₹ in millions)**	**Average monthly collection efficiency (%)**
Secured advances	21,370.42	95.45	19,055.85	93.06
Unsecured advances	35,625.55	91.84	30,505.15	84.68
Total	**56,995.97**	**93.80**	**49,560.99**	**88.95**

Particulars	**Year ended March 31,**					
	2023		**2022**		**2021**	
	Amount (₹ in millions)	**Average monthly collection efficiency (%)**	**Amount (₹ in millions)**	**Average monthly collection efficiency (%)**	**Amount (₹ in millions)**	**Average monthly collection efficiency (%)**
Secured advances	37,881.36	93.97	29,798.14	92.49	16,307.72	77.92
Unsecured advances	63,740.61	86.20	59,174.45	79.28	48,882.60	63.64
Total	**101,621.97**	**90.26**	**88,972.59**	**84.95**	**65,190.31**	**67.47**

Pursuant to the RBI's 'COVID-19 Regulatory Packages', which were announced on March 27, 2020, April 17, 2020 and May 23, 2020 (collectively, the "**COVID-19 Regulatory Packages**"), lending institutions, including us, were permitted to grant a moratorium of six months on the payment of all instalments and interest on term loans falling due between March 1, 2020 and August 31, 2020 (the "**Moratorium**"). The RBI's circulars in relation to the Moratorium required us to make provisions of 10.0% on loans that were subject to moratorium and that were overdue but standard as at February 29, 2020.

The Supreme Court of India in *Gajendra Sharma Vs Union of India & Anr.*, vide its interim order dated September 3, 2020, directed banks that accounts that were not declared as NPAs as at August 31, 2020 shall not be declared as NPAs until further orders. The Supreme Court of India in *Small Scale Industrial Manufactures Association (Regd.) vs Union of India and others* vide a judgment dated March 23, 2021 has directed that the interim order granted on September 3, 2020 to not declare the accounts of borrowers as NPAs stands vacated. Moving forward from the date of the judgment on March 23, 2021, our Bank resumed recognizing overdue accounts not previously recognised as NPAs, as NPAs. Additionally, the RBI's notification dated April 7, 2021 required us to refund/adjust 'interest on interest' to all borrowers, including those who had availed of working capital facilities, during the Moratorium, irrespective of whether the Moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' was finalised by the Indian Banks Association (the "**IBA**") in consultation with other industry participants/ bodies on April 19, 2021. In Fiscal 2022, we refunded ₹87.48 million on 'interest on interest'. As per the RBI's notification dated April 7, 2021, for the period commencing on September 1, 2020, asset classification for all such accounts shall be as per the applicable RBI asset classification norms.

On August 6, 2020, the RBI issued a circular that permitted lenders to implement a resolution plan ("**Resolution Framework 1.0**"), along with asset classification benefits, for eligible corporate and individual borrower segments. Lenders had to ensure that the resolution facility was provided only to borrowers impacted by COVID-19. The resolution facility was applicable for accounts classified as standard and not in default for more than 30 days as at March 1, 2020. The resolution plan had to be finalised by December 31, 2020 and implemented within 180 days from the date of invocation. Restructuring of loans was also allowed for micro, small and medium enterprises ("**MSMEs**"). The RBI has, vide circular dated September 7, 2020, issued certain financial parameters to be mandatorily considered by lenders while finalising the resolution plan in respect of eligible borrowers. The table below sets forth certain details of our advances under Resolution Framework 1.0 as at the dates indicated.

Particulars	**As at September 30, 2023**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
	(₹ in millions, except for percentages)			
Gross advances under Resolution Framework 1.0 [A]	1,272.61	2,255.49	5,574.08	11,660.08
Gross advances [B]	213,471.30	180,007.41	132,503.20	118,389.82
Gross advances under Resolution Framework 1.0 as a percentage of gross advances [C] = [A] / [B] (%)	0.60	1.25	4.20	9.84
Gross standard advances under Resolution Framework 1.0	439.48	823.10	3,767.93	9,953.21
Provision for gross standard advances under Resolution Framework 1.0	8.53	15.88	119.13	820.66
Gross NPAs under Resolution Framework 1.0	833.13	1,432.39	1,806.15	1,706.87
Provision for NPAs under Resolution Framework 1.0	781.84	819.45	859.32	676.49

On May 5, 2021, the RBI announced the resolution framework 2.0 ("**Resolution Framework 2.0**") to protect individuals and MSMEs from the adverse impact of the second wave of COVID-19. The Resolution Framework 2.0 was applicable for accounts classified as 'Standard' as at March 31, 2021, wherein individuals and MSMEs having an aggregate loan exposure of up to ₹250 million who have not availed restructuring under any of the earlier restructuring frameworks and who were classified as 'Standard' as on March 31, 2021 were allowed to restructure their loans. Restructuring under the proposed framework was able to be invoked up to September 30, 2021 and had to be finalised and implemented within 90 days after invocation of the resolution process (with the last date to implement the restructuring for banks being December 31, 2021). The Resolution Framework 2.0 included rescheduling of loan equated monthly instalments and the granting of a moratorium as per our Board-approved policy. In accordance with Resolution Framework 2.0 and our Board approved policy, our Bank restructured loans that were standard as at March 31, 2021. For the purpose of restructuring, the balance outstanding as at the date of restructuring includes interest accrued as at such date, which is considered to be residual debt, and the equated monthly instalment is fixed for such debt by extending the tenure of the loan, if required. Our Bank also provided initial holidays at the customer's request to start repaying their loan as per Resolution Framework 2.0. Our Bank restructured advances totalling ₹2,904.47 million as per Resolution Framework 2.0. The table below sets forth certain details of our advances under Resolution Framework 2.0 as at the dates indicated.

Particulars	**As at September 30, 2023**	**As at March 31, 2023**	**As at March 31, 2022**
	(₹ in million, except for percentages)		
Gross advances under Resolution Framework 2.0 [A]	1,164.98	1,427.44	2,993.72
Gross advances [B]	213.471.30	180,007.41	132,503.20
Gross advances under Resolution Framework 2.0 as percentage of gross advances [C] = [A] / [B] (%)	0.55	0.79	2.26
Gross standard advances under Resolution Framework 2.0	897.60	1,070.86	2,308.80
Provision for gross standard advances under Resolution Framework 2.0	76.45	97.07	206.91
Gross NPAs under Resolution Framework 2.0	267.38	356.58	684.92
Provision for NPAs under Resolution Framework 2.0	130.57	143.48	290.44

For further details on loans restructured under Resolution Framework 1.0 and Resolution Framework 2.0, see "*Financial Statements – Note 7(h) Disclosure under Resolution framework for COVID-19 related stress*" on page 436.

On October 23, 2020, the Government announced a scheme for the grant of ex-gratia payments to borrowers of certain loan accounts where the sanctioned limit and outstanding amount does not exceed ₹20.00 million (aggregate of all facilities with the lender) irrespective of whether they opted for the Moratorium or not of the difference between compound interest and simple interest charged on those loans for the six-month period from March 1, 2020 to August 31, 2020. The scheme involves the lenders crediting the difference between simple interest and compound interest for the period between March 1, 2020 and August 31, 2020. Lending institutions could then make claims for reimbursement from the Government on or before December 15, 2020, which we did. Our claim for such reimbursement was ₹410.10 million for Fiscal 2021, which had not been paid as at March 31, 2021. We received ₹110.30 million of such reimbursement in Fiscal 2022 and wrote-off the remaining amount of ₹299.80 million in Fiscal 2022.

The COVID-19 pandemic also had a material adverse effect on our gross NPAs and provisions towards NPAs. For details, see "*– Significant Factors Affecting our Financial Condition, Results of Operations and Cash Flows – Non-Performing Advances and Provisions and Write-offs for Non-Performing Advances as well as Provisions for Standard Assets and Restructured Standard Assets*" on page 467.

Increase in Product Offerings

As we believe our customers prefer a single source for multiple financial services, our business model is centred on building a 'one-stop shop' to cater for our customers' different financial needs. We have introduced several new products since April 1, 2019, including, among others, term loans to NBFC and Micro Housing in Fiscal 2020 and two-wheeler loans in Fiscal 2021. Set forth below are tables showing our interest earned from term loans to NBFC, Micro Housing and two-wheeler loans and as a percentage of our total interest earned for the periods and Fiscals indicated.

Particulars	**Half year ended September 30,**			
	2023		**2022**	
	Interest Earned (₹ in millions)	**% of Total Interest Earned**	**Interest Earned (₹ in millions)**	**% of Total Interest Earned**
Term loans to NBFCs	813.12	4.36	569.16	4.08
Two-wheeler loans	308.64	1.66	172.96	1.24
Micro Housing	2,497.53	13.40	1,379.60	9.88
Total interest earned	**18,639.41**	**100.00**	**13,962.26**	**100.00**

Particulars	**Year ended March 31,**					
	2023		**2022**		**2021**	
	Interest Earned (₹ in millions)	**% of Total Interest Earned**	**Interest Earned (₹ in millions)**	**% of Total Interest Earned**	**Interest Earned (₹ in millions)**	**% of Total Interest Earned**
Term loans to NBFC	1,361.97	4.42	1,014.57	3.72	169.97	0.68
Two-wheeler loans	406.25	1.32	161.57	0.59	5.06	0.02
Micro Housing	4,762.41	15.48	3,098.28	11.36	1,664.64	6.66
Total interest earned	**30,750.10**	**100.00**	**27,265.35**	**100.00**	**24,977.28**	**100.00**

Unrecognised Deferred Tax Assets

As at September 30, 2023, we had a net deferred tax asset of ₹10,238.90 million, which has not been recognised but which will be available to offset tax on future taxable income. Accordingly, even though our net profit for the period for the half years ended September 30, 2023 and 2022 was ₹2,132.18 million and ₹556.34 million, respectively, and our net profit for the year for Fiscals 2023, 2022 and 2021 was ₹2,559.71 million, ₹174.71 million and ₹722.60 million, respectively, our current and deferred tax expenses were nil for each of the half years ended September 30, 2023 and 2022 and for each of Fiscals 2023, 2022 and 2021 since the tax amounts that would have been payable were offset by the unrecognised deferred tax assets.

Competition

The Indian finance industry is intensely competitive. We face intense competition in all our principal products and services from other SFBs, NBFCs, microfinance institutions and cooperative banks, which have significant presence in rural areas, public sector banks, private sector banks, housing finance companies and other financial services companies in India.

The microfinance industry in India consists of multiple players with diverse organisational structures. Loans in this sector are provided by banks, Small Finance Banks, NBFC-MFIs, other non-banking financial companies and non-profit organisations. According to the Microfinance Institution Network, microfinance institutions operated in 27 states, five UTs as at May 31, 2023 (*Source: Fitch Report*). As at September 30, 2023, 12 Small Finance Banks, including us, were operational in India (*Source:*

Fitch Report). Recently in September 2023, Fincare Small Finance Bank Limited announced its planned merger with AU Small Finance Bank Limited (AU SFB) in an all-share deal, which is subject to various approvals (*Source: Fitch Report*). Given Small Finance Banks' financial inclusion focus, Small Finance Banks have higher minimum targets for priority sector lending at 75.0% of adjusted net bank credit compared to 40.0% for scheduled commercial banks. Further, at least 25.0% of Small Finance Banks' new banking branches need to be opened in unbanked rural centres and 50.0% of their loan portfolio must be comprised of loans and advances of up to ₹2.50 million. (*Source: Fitch Report*). Additionally, the minimum paid-up equity capital for Small Finance Banks is ₹1.00 billion, which is one-fifth of the requirement for scheduled commercial banks, and the minimum capital adequacy ratio for Small Finance Banks is set at 15.0%, which is higher than the 9.0% required for scheduled commercial banks. Non-banking financial companies further do not have to maintain CRR and do not have priority sector lending targets, while Small Finance Banks have to maintain a minimum 3.5% CRR and 18.0% SLR. (*Source: Fitch Report*).

Further, the RBI has issued Guidelines for On-Tap Licensing of SFBs in the Private Sector on December 5, 2019, which permits applicants to apply for SFB license to the RBI at any time, subject to fulfilment of certain eligibility criteria and other conditions. We anticipate that this will increase competition within Small Finance Banks operating in India, including our Bank. Further, consolidation in the industry driven by the merger of other banks is likely to further increase competition by creating larger, more homogeneous and potentially stronger competitors in the market. For more details, see "*Risk Factors – 48. We face intense competition in all our principal products and services and if we are unable to compete effectively it would adversely affect our business, financial condition, results of operations and cash flows*" and "*Our Business – Competition*" on pages 88 and 514, respectively.

Auditors' Qualifications, Reservations and Adverse Remarks

There are no reservations, qualifications or adverse remarks highlighted by the respective auditors in their audit reports on our audited financial statements as at and for the half years ended September 30, 2023 and 2022 and as at and for the years ended March 31, 2023, 2022 and 2021.

There are no emphasis of matters placed by the Joint Statutory Auditors (M M Nissim & Co LLP and Brahmayya & Co) in their audit reports on our financial statements as at and for the half years ended September 30, 2023 and 2022 and as at and for the years ended March 31, 2023 and 2022.

The Previous Statutory Auditors (MSKC & Associates) have included an emphasis of matters in their audit report as at and for the year ended March 31, 2021 noting that there are changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, which has led to significant volatility in global and Indian financial markets. The extent to which the COVID-19 pandemic will continue to impact our Bank's operations and financial results will depend on future developments, which are highly uncertain. The Previous Statutory Auditors' opinion has not been modified in respect of this matter.

Basis of Preparation

Our Bank's financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and on-going concern basis, unless otherwise stated and in conformity with Generally Accepted Accounting Principles ("**GAAP**"), which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by the Reserve Bank of India (RBI), Banking Regulation Act 1949, Accounting Standards specified under Section 133 of Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules 2021, in so far as they apply to our Banks and the current practices prevalent within our Banking industry in India.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future periods.

Critical Accounting Policies

The preparation of our financial statements requires our management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years/periods could differ from those on which the management's estimates are based. The notes to the Restated Financial Statements in "*Financial Statements – Annexure 22: Significant Accounting Policies appended to and forming part of the restated summary statements*" on page 405 contain a summary of our significant accounting policies. Certain of these policies are critical to the portrayal of our financial condition and results of operations, since they require management to make subjective judgments, some of which may relate to matters that are inherently uncertain. Below is a discussion of these critical accounting policies:

Revenue Recognition

Interest income on loans, advances and investments is recognized in the Profit and Loss Account on accrual basis except income on advances, investments and other assets classified as Non-Performing Assets ("**NPAs**"), which is recognized upon realization, as per the prudential norms prescribed by the RBI. Unrealized Interest on NPA is reversed in the Profit and Loss Account and is recognized only on receipt basis. Further, charges and penal interest on advances is recognized on receipt basis.

Income on non-coupon bearing discounted instruments is recognized over the tenure of the instruments so as to provide a constant periodic rate of return.

Processing fees on loan, direct assignment and securitisation is recognised upfront when it becomes due.

Dividend is accounted on an accrual basis where the right to receive the dividend is established.

Interest incomes on deposits with banks and financial institutions is recognized on a time proportion basis taking into account the amount outstanding and the implicit rate of interest.

PSLC related income and expenses is recognised as and when they become due.

All other fees are accounted for as and when they become due.

Investments

Classification

In accordance with RBI guidelines, investments are classified into three categories, viz. Held to Maturity ("**HTM**"), Available for Sale ("**AFS**") and Held for Trading ("**HFT**"). Under each of these categories, investments are further classified under six groups – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments.

The transactions in Securities are accounted on "Settlement Date" of accounting except in the case of equity shares where trade date accounting is followed.

Basis of Classification

Investments that our Bank intends to hold till maturity are classified under HTM category.

Investments that are held for resale within 90 days from the date of purchase are classified as HFT.

Investments, which are not classified in the above two categories, are classified as AFS. Further, as per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities.

An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

Transfer Between Categories

Transfer of investments from one category to the other is done in accordance with RBI guidelines. Transfer of securities from AFS / HFT category to HTM category is made at the lower of book value or market value. In the case of transfer of securities from HTM to AFS / HFT category, the investments held under HTM at a discount are transferred to AFS / HFT category at the acquisition price and investments placed in the HTM category at a premium are transferred to AFS/ HFT at the amortized cost. After transfer, these securities are re-valued and resultant depreciation, if any, is provided.

Transfer of investments from AFS to HFT or vice- a- versa is done at the book value. Depreciation carried, if any, on such investments is also transferred from one category to another.

Acquisition Cost

Broken period interest if any, paid on acquisition of investments is debited to Profit and Loss Account. Broken period interest received on sale of securities is recognized as interest income.

Valuation

Investments classified under AFS and HFT categories are marked to market individually and depreciation/appreciation is aggregated for each group and net depreciation in each group is provided and net appreciation is ignored.

Traded investments (if any) are valued based on the trades / quotes on the recognised stock exchanges or prices published by Financial Benchmarks India Pvt Ltd. ("**FBIL**") with Fixed Income Money Market and Derivatives Association ("**FIMMDA**") as the calculating agent.

The market value of unquoted government of India securities, state government securities etc. which are directly issued by the government of India is computed as per the prices published by FBIL with FIMMDA as the calculating agent.

Unquoted equity shares are valued at the break-up value, if the latest Balance sheet is available or at ₹ 1 for each company as per the RBI guidelines.

Units of mutual funds are valued at the latest repurchase price / net asset value declared by the mutual fund.

Treasury bills, commercial papers and certificate of deposits being discounted instruments, are valued at carrying cost.

Net depreciation in the value, if any, compared to the acquisition cost, in any of the groups, is charged to the Profit and Loss Account. The net appreciation, if any, in any of the groups is not recognised except to the extent of depreciation provided earlier.

Investments classified under HTM category are carried at their acquisition cost and not marked to market. Any premium on acquisition is amortised over the remaining maturity period of the security on a constant yield-to-maturity basis. Such amortisation of premium is adjusted against interest income under the head "Income from investments". Any diminution, other than the temporary, in the value of investments in HTM category is provided for.

Security receipts ("**SR**") are valued as per the net asset value provided by the issuing Asset Reconstruction Company from time to time.

Non-performing investments are identified and provision are made thereon based on the RBI guidelines. The provision on such non-performing investments are not set off against the appreciation in respect of other performing investments. Interest on non-performing investments is not recognized in the Profit and Loss Account until received.

Disposal of Investments

Profit / Loss on sale of investments is taken to Profit and Loss Account. However, in case of profit on sale of investments in HTM category, an equivalent amount of profit (net of applicable taxes and amount required to be transferred to statutory reserves) is appropriated to Capital Reserve in accordance with RBI guidelines. Cost of investments is based on the weighted average cost method.

Repurchase and Reverse Repurchase Transactions

In accordance with the RBI guidelines, repo and reverse repo transactions in government securities and corporate debt securities are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

Advances Classification and Provisioning

Classification

Advances are classified into performing and non-performing advances as per the RBI guidelines and are stated net of specific provisions made towards non-performing advances. Further, non-performing advances are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by the RBI. Provisions for non-performing advances are made at rates as prescribed by the RBI and as per Bank's internal credit policy and the same is charged to the Profit and Loss Account under Provisions and Contingencies.

Non-performing advances are written-off in accordance with Bank's policies. Amounts recovered against debts written-off are recognised in the Profit and Loss account as "Miscellaneous income" under Other Income (Schedule 14).

Our Bank considers a restructured account as one where our Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that our Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advances/securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of instalments / rate of interest (due to reasons other than competitive reasons). Restructured accounts are classified as such by our Bank only upon approval and implementation of the restructuring package. Necessary provision including diminution in the fair value of a restructured account is made and classification thereof is as per the extant RBI guidelines.

Our Bank maintains a general provision on standard advances at the rates prescribed by the RBI. Provision made against standard assets is included in "Other liabilities & provisions" (Schedule 5).

Our Bank transfers advances through inter-bank participation. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by our Bank is reduced from advances. In case of participation with non-risk sharing, the aggregate amount of participation is classified as borrowings.

Our Bank vide RBI circular FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April 07, 2016 trades in Priority Sector portfolio by selling or buying PSLC. There is no transfer of risk on loan assets in these transactions. The fee paid for purchase of the PSLC is treated as an 'Expense' and the fee received for the sale of PSLC is treated as 'Miscellaneous Income'.

Floating Provisions

Provisions made, if any, in excess of our Bank's policy for specific loan loss provisions for NPAs and regulatory general provisions are categorised as floating provisions. Creation of floating provisions is considered by our Bank up to a level approved by the Board of Directors in accordance with the RBI guidelines, floating provisions are used up to a level approved by the Board only for contingencies under extraordinary circumstances and for making specific provisions for impaired accounts as per these guidelines or any regulatory guidance / instructions. Floating provisions, if any, are shown under "Other liabilities and Provisions" (Schedule 5).

Securitisation and Transfer of Assets

Assets transferred through securitisation and direct assignment of cash flows are de-recognised when they are sold (true sale criteria being fully met with) and consideration is received. Sales / transfers that do not meet true sale criteria are accounted for as borrowings. For a securitisation or direct assignment transaction, our Bank recognises profit upon receipt of the funds and loss is recognised at the time of sale.

On sale of stressed assets, if the sale is at a price below the net book value (i.e., funded outstanding less specific provisions held), the shortfall is charged to the Profit and Loss Account and if the sale is for a value higher than the net book value, the excess provision is credited to the Profit and Loss Account in the year when the sum of cash received by way of initial consideration and / or redemption or transfer of SR issued by Securitisation Company ("**SC**") / Reconstruction Company ("**RC**") exceeds the net book value of the loan at the time of transfer.

In respect of stressed assets sold under an asset securitisation, where the investment by our Bank in SR backed by the assets sold by it is more than 10 percent of such SR, provisions held are higher of the provisions required in terms of net asset value declared by the SC / RC and provisions as per the extant norms applicable to the underlying loans, notionally treating the book value of these SRs as the corresponding stressed loans assuming the loans remained in the books of our Bank.

Our Bank invests in Pass Through Certificates issued by other Special Purpose Vehicles. These are accounted at acquisition cost and are classified as investments. Our Bank also buys loans through the direct assignment route which are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised based on effective interest rate method.

Bank recognizes Excess Interest Spread only on cash basis and Over Collateralization, if any, is included in the Gross Advances and it is provided for as per the provisioning norms of RBI.

Direct Assignment portfolio bought by our Bank, if any, are classified as advances. These are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the tenor of the loans.

Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation as adjusted for impairment, if any. Cost includes cost of purchase inclusive of freight, duties, incidental expenses and all other directly attributable expenditures towards acquisition and installation of assets before it is ready for commercial use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets. Specific grant received for acquisition of fixed assets are reduced from the cost of the asset.

Depreciation on fixed asset is charged over the estimated useful life on a straight-line basis after retaining a residual value of 0.01%, except for leasehold improvements and software which are fully depreciated.

Our Bank is following the estimated useful life as stated in the Part C of Schedule II of Companies Act, 2013, which is as below:

Type of Asset	Useful Life
Computers including desktops and electronic equipment	3 Years
Servers and networks	6 Years
Furniture and fixtures	10 Years

Type of Asset	Useful Life
Electrical installation	10 Years
Motor vehicles	8 Years
Office equipment	5 Years
Leasehold improvements	Remaining primary leasehold period as per agreement

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use.

The estimated useful life of the intangible assets are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Software is depreciated fully over the useful life of the software based on the license validity or five years whichever is earlier.

Fixed assets purchased during the year are depreciated on the basis of actual number of days the asset has been put to use in the year. Fixed assets disposed of during the year are depreciated up to the date of disposal.

Profit or losses arising from the retirement or disposal of a Fixed / Intangible Asset are determined as the difference between the net disposal proceeds and the carrying amount of fixed/ intangible assets and recognized as income or expense in the Profit and Loss Account. Profit on sale of premises, if any, is transferred to Capital Reserve as per the RBI guidelines.

Impairment of Assets (Other than Loans and Advances)

In accordance with AS 28 – Impairment of assets, Bank assesses at each Balance Sheet date whether there is any indication of impairment of assets based on internal / external factors. Impairment loss, if any, is provided in the Profit and Loss Account to the extent of carrying amount of assets exceeds their estimated recoverable amount, which is higher of an asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Profit and Loss Account, to the extent the amount was previously charged to the Profit and Loss Account.

Foreign Currency Transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All exchange differences are recognized as income or as expenses in the period in which they arise.

Employee Benefits

Defined Contribution Plan

Retirement benefits in the form of provident fund and employee state insurance scheme are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Defined Benefit Plan and Compensated Absences

Liability for defined benefit gratuity plan and accumulated compensated absences is determined by estimating the present value of amount of benefit that employees have earned in return for their service in the current and prior periods. Our Bank accounts for its liability for unfunded compensated absences and funded gratuity based on actuarial valuation, as at the Balance Sheet date, determined annually by an independent actuary using the Projected Unit Credit Method. Our Bank makes contribution to Gratuity Funds managed by life insurance companies. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period and are not deferred.

Short Term Employee Benefits

Short term employee benefits expected to be paid in consideration for the services rendered by the employees is recognized during the period when the employee renders service.

Income Taxes

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by our Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per AS 22 – Accounting for Taxes on Income respectively.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and appropriately adjusted to reflect the amount that is reasonably / virtually certain to be realized.

Earnings per Share

Bank reports basic and diluted earnings per share in accordance with AS 20 – Earnings Per Share. Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of exercise of employee stock options and restricted stock units, bonus issue, bonus element in a rights issue to existing shareholders and share split.

Diluted earnings per share reflects the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and the dilutive potential equity shares (stock options, restricted stock units and convertible preference shares) outstanding during the year, except where the results are anti-dilutive.

Provisions, Contingent Liabilities and Contingent Assets

In accordance with AS 29 – Provisions, Contingent Liabilities and Contingent Assets, our Bank creates a provision when there is a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balances sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resource would be required to settle the obligation, the provision is reversed.

A disclosure for contingent liability is made when there is:

i. A possible obligation arising from the past events, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of our Bank; or

ii. A present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made.

When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Accounting for Lease

<u>Operating Lease</u>

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased term are classified as operating leases in accordance with AS 19 – Leases. Lease rentals on assets under operating lease is charged off to the Profit and Loss Account on a straight-line basis in accordance with the AS 19.

<u>Finance Lease</u>

Leases under which our Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability for each period.

Asset given on Finance Lease

In case of assets given under finance lease, leased assets are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return. The principal amount received reduces the net investment in the lease and interest is recognised as revenue.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India, balances with other banks/institutions and money at call and short notice.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of our Bank are segregated.

Share Issue Expenses

Share issue expenses are adjusted against Share Premium Account in terms of Section 52 of the Companies Act, 2013.

Segment Information

The disclosure relating to segment information is in accordance with AS 17 – Segment Reporting and as per the guidelines issued by RBI. Bank has classified its business into following for segment reporting:

a. Treasury includes all investment portfolios, Profit / Loss on sale of Investments, equities, income from money market operations.

b. Corporate / Wholesale Banking includes all advances to companies and statutory bodies, which are not included under Retail Banking.

c. Retail Banking includes lending to and deposits from retail customers and identified earnings and expenses of the segment.

d. Other Banking Operations includes all other operations not covered under Treasury, Corporate / Wholesale Banking and Retail Banking.

Unallocated includes Capital and Reserves and other non-allocable assets, liabilities, income and expenses.

Corporate Social Responsibility

Expenditure incurred towards corporate social responsibility are recognised as and when becomes due.

Employee Stock Option Plan and Restricted Stock Units

Designated Employees of our Bank receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India, the cost of equity-settled transactions is measured using the intrinsic method. Share based payments to Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff, new stock options granted to Whole Time Directors, Chief Executive Officers and Material Risk Takers on or after April 01, 2021, are recognised at fair value on the date of grant using Black-Scholes model. Share based expense is recognized together with a corresponding increase in the “Employees Stock options outstanding account” in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and our Bank's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Profit and Loss Account for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Changes in Critical Accounting Polices

The recognition of charges and penal charges on advances, which was previously recorded on an accrual basis until March 31, 2021, has now been changed to the receipt basis starting from April 1, 2021. This adjustment in accounting policy has resulted in a lower restated amount of ₹120.67 million in other income, total income, and net profit for Fiscal 2021. Conversely, there is a corresponding increase in other income, total income, and net profit for Fiscal 2022. For more information, see *Financial Statements – Annexure 4 – Restated Statement of Adjustments to Audited Financial Statements – Note 2: Changes in Accounting Policy*.

Our accounting policies for the half year ended September 30, 2023 have been applied for all periods/years covered in the Restated Financial Statements.

Components of our Profit and Loss Account

Income

Our income consists of interest earned and other income.

- Interest earned comprises (a) interest/discount on advances/bills, (b) income on investments (which consists of government securities, (c) interest on balances with the Reserve Bank of India and other inter-bank funds, and (d) others.
- Our other income comprises (a) commission, exchange and brokerage, (b) profit/(loss) on sale of investments (net), (c) profit/(loss) on sale of land, buildings and other assets (net) and (d) miscellaneous income, including recoveries from written off accounts.

Expenditure

Our total expenditure comprises (a) interest expended, (b) operating expenses and (c) provisions and contingencies.

- Our interest expended comprises (a) interest on deposits and (b) interest on Reserve Bank of India/ inter-bank borrowing and (c) others (including interest on debentures and other borrowings).
- Our operating expenses primarily comprise (a) payments to and provisions for employees, (b) rent, taxes and lighting, (c) professional fee (which includes cost incurred for outsourcing of technology and operations support services), (d) depreciation on Bank's property (including leased assets), (e) repairs and maintenance, (f) advertisement and publicity (g) travel and conveyance and (h) other expenditure, which includes collection costs.
- Our provisions and contingencies comprise (a) provision towards NPAs (including bad debts written off), and (b) other provisions and contingencies, which comprises (i) provision for standard assets, (ii) provision for restructured standard assets (including diminution in fair value), (iii) provision for depreciation on investments and (iv) provisions for frauds and others.

Results of Operations

Half Year ended September 30, 2023 Compared to Half Year ended September 30, 2022

The following table sets forth a summary of our summary statement of profit and loss for the half years ended September 30, 2023 and 2022:

	Half year ended September 30,			
	2023		**2022**	
	Amount (₹ in millions)	**% of Total Income**	**Amount (₹ in millions)**	**% of Total Income**
Income:				
Interest Earned	18,639.41	84.13	13,962.26	82.64
Other Income	3,516.27	15.87	2,933.91	17.36
Total	**22,155.68**	**100.00**	**16,896.17**	**100.00**
Expenditure:				
Interest Expended	8,763.07	39.55	6,443.64	38.14
Operating Expenses	7,831.59	35.35	6,105.99	36.14
Provisions and Contingencies	3,428.84	15.48	3,790.20	22.43
Total	**20,023.50**	**90.38**	**16,339.83**	**96.71**
Net profit/(loss) for the period	**2,132.18**	**9.62**	**556.34**	**3.29**

Total Income

Our total income increased by ₹5,259.51 million, or 31.13%, to ₹22,155.68 million for the half year ended September 30, 2023 from ₹16,896.17 million for the half year ended September 30, 2022 as a result of a ₹4,677.15 million, or 33.50%, increase in interest earned, and a ₹582.36 million, or 19.85%, increase in other income.

Interest Earned

The table set forth below shows details in relation to our interest earned for the half years ended September 30, 2023 and 2022.

Particulars	**Half year ended September 30, 2023 (₹ in millions)**	**Half year ended September 30, 2022 (₹ in millions)**	**% increase / (decrease)**
Interest/discount on advances/bills[1]	16,699.36	12,347.72	35.24
Income on investments	1,663.55	1,478.95	12.48
Interest on balances with Reserve Bank of India and other inter-bank funds	276.28	135.42	104.02
Others	0.22	0.17	29.41
Total	**18,639.41**	**13,962.26**	**33.50**

Note:

(1) Includes interest recoveries from technically written off accounts.

Our interest earned increased by ₹4,677.15 million, or 33.50%, to ₹18,639.41 million for the half year ended September 30, 2023 from ₹13,962.26 million for the half year ended September 30, 2022. The primary reasons for this increase are discussed below.

- Interest/discount on advances/bills increased by ₹4,351.64 million, or 35.24%, to ₹16,699.36 million for the half year ended September 30, 2023 from ₹12,347.72 million for the half year ended September 30, 2022. This increase was primarily due to a ₹53,041.60 million, or 38.50%, increase in Average Advances to ₹190,814.33 million for the half year ended September 30, 2023 from ₹137,772.73 million for the half year ended September 30, 2022. This increase was partially offset by a decrease in the annualised Yield on Average Advances to 17.50% for the half year ended September 30, 2023 from 17.92% for the half year ended September 30, 2022.

- Income on investments increased by ₹184.60 million, or 12.48%, to ₹1,663.55 million for the half year ended September 30, 2023 from ₹1,478.95 million for the half year ended September 30, 2022. This increase was primarily due to an increase in the annualised Yield on Average Interest-Earning Investments to 6.15% for the half year ended September 30, 2023 from 5.20% for the half year ended September 30, 2022. This increase was partially offset by a decrease in Average Interest-Earning Investments to ₹54,086.39 million for the half year ended September 30, 2023 from ₹56,890.93 million for the half year half year ended September 30, 2022.

- Interest on balances with Reserve Bank of India and other inter-bank funds increased by ₹140.86 million, or 104.02%, to ₹276.28 million for the half year ended September 30, 2023 from ₹135.42 million for the half year ended September 30, 2022. This increase was primarily due to a ₹2,419.23 million, or 36.11%, increase in Average Interest-Earning Balance with Reserve Bank of India and other inter-bank funds to ₹9,118.90 million for the half year ended September 30, 2023 from ₹6,699.67 million for the half year ended September 30, 2022 and an increase in the annualised Yield on Average Balances with Reserve Bank of India and other inter-bank funds to 6.06% for the half year ended September 30, 2023 from 4.05% for the half year ended September 30, 2022.

Other Income

The table set forth below shows details in relation to our other income for the half years ended September 30, 2023 and 2022.

Particulars	**Half year ended September 30, 2023 (₹ in millions)**	**Half year ended September 30, 2022 (₹ in millions)**	**% increase / (decrease)**	**Recurring / Non-recurring**
Commission, exchange and brokerage	2,239.40	1,350.42	65.83	Recurring
Profit on sale of investments (net)	58.98	22.70	159.82	Recurring
Profit / (loss) on sale of land, buildings and other assets (net)	(1.50)	(2.15)	30.23	Non-Recurring
Miscellaneous income	1,219.39	1,562.94	(21.98)	Recurring
Of which:				
Profit on sale of assets to ARCs	*531.80*	*834.96*	*(36.31)*	*Non-Recurring*
PSLC income	*418.65*	*495.18*	*(15.45)*	*Recurring*
Recoveries from written off accounts	*267.15*	*192.25*	*38.96*	*Recurring*
Lease income	-	*36.23*	*N.C.*	*Recurring*
Total	**3,516.27**	**2,933.91**	**19.85%**	

Note: *N.C. means not comparable.*

Our other income increased by ₹582.36 million, or 19.85%, to ₹3,516.27 million for the half year ended September 30, 2023 from ₹2,933.91 million for the half year ended September 30, 2022. The primary reason for this increase was a ₹888.98 million, or 65.83%, increase in our income from commissions, exchanges and brokerage income increased to ₹2,239.40 million for the half year ended September 30, 2023 from ₹1,350.42 million for the half year ended September 30, 2022, which increase was primarily due to (i) a ₹272.66 million, or 28.44%, increase in processing fees, which was due to an increase in disbursements, (ii) a ₹80.60 million, or 73.73% increase in insurance commission income due to higher premium collected, and (iii) a ₹233.19 million, or 124.78% increase in the fees from liability related charges including ATM income, non-maintenance of average balance and debit card annual maintenance and others**.** This increase was partially offset by a ₹343.55 million, or 21.98%, decrease in our miscellaneous income to ₹1,219.39 million for the half year ended September 30, 2023 from ₹1,562.94 million for the half year ended September 30, 2022, which decrease was primarily due to a ₹303.16 million, or 36.31%, decrease in our profit on sale of assets to ARCs to ₹531.80 million for the half year ended September 30, 2023 from ₹834.96 million for the half year ended September 30, 2022

<u>Total Expenditure</u>

Our total expenditure increased by ₹3,683.67 million, or 22.54%, to ₹20,023.50 million for the half year ended September 30, 2023 from ₹16,339.83 million for the half year ended September 30, 2022. The primary reasons for this increase are discussed below.

<u>Interest Expended</u>

The table set forth below shows details in relation to our interest expended for the half years ended September 30, 2023 and 2022.

Particulars	**Half year ended September 30, 2023 (₹ in millions)**	**Half year ended September 30, 2022 (₹ in millions)**	**% increase / (decrease)**
Interest on deposits (A)	6,512.84	4,486.25	45.17
Interest on Reserve Bank of India/inter-bank borrowings (i)	185.90	171.79	8.21
Others (including interest on debentures and other borrowings) (ii)	2,064.33	1,785.60	15.61
Interest on total borrowings (i)+(ii)=(B)	***2,250.23***	***1,957.39***	***14.96***
Total (A)+(B)	**8,763.07**	**6,443.64**	**36.00**

Our interest expended increased by ₹2,319.43 million, or 36.00%, to ₹8,763.07 million for the half year ended September 30, 2023 from ₹6,443.64 million for the half year ended September 30, 2022. The primary reason for this increase are discussed below.

- Interest on deposits increased by ₹2,206.59 million, or 45.17%, to ₹6,512.84 million for the half year ended September 30, 2023 from ₹4,486.25 million for the half year ended September 30, 2022, which was primarily due to a 26.48% increase in Average Total Deposits to ₹173,600.31 million for the half year ended September 30, 2023 from ₹137,256.41 million for the half year ended September 30, 2022, and an increase in the annualised Cost of Average Total Deposits to 7.50% for the half year ended September 30, 2023 from 6.54% for the half year ended September 30, 2022.

- Others (including interest on debentures and other borrowings) increased by ₹278.73 million, or 15.61%, to ₹2,064.33 million for the half year ended September 30, 2023 from ₹1,785.60 million for the half year ended September 30, 2022.

<u>Operating Expenses</u>

The table set forth below shows details in relation to our operating expenses for the half years ended September 30, 2023 and 2022.

Particulars	**Half year ended September 30, 2023 (₹ in millions)**	**Half year ended September 30, 2022 (₹ in millions)**	**% increase / (decrease)**
Payments to and provisions for employees	4,710.86	3,655.90	28.86
Rent, taxes and lighting	559.49	470.98	18.79
Printing and stationery	64.25	45.40	41.52
Advertisement and publicity	199.99	107.11	86.71
Depreciation on Bank's property (including leased	337.88	357.10	(5.38)

Particulars	Half year ended September 30, 2023 (₹ in millions)	Half year ended September 30, 2022 (₹ in millions)	% increase / (decrease)
assets)			
Directors' fees, allowances and expenses	5.44	3.95	37.72
Auditors' fees and expenses	6.38	6.34	0.63
Law charges	76.94	47.19	63.04
Postage, courier, telephones etc.	95.78	93.84	2.07
Repairs and maintenance	164.97	145.61	13.30
Insurance	96.48	86.36	11.72
Travel and conveyance	294.08	215.07	36.74
Professional fees	999.48	698.77	43.03
Other expenditure	219.57	172.37	27.38
Total	**7,831.59**	**6,105.99**	**28.26**

Our operating expenses increased by ₹1,725.60 million, or 28.26%, to ₹7,831.59 million for the half year ended September 30, 2023 from ₹6,105.99 million for the half year ended September 30, 2022. The primary reasons for this increase are discussed below.

- Payments to and provisions for employees increased by ₹1,054.96 million, or 28.86%, to ₹4,710.86 million for the half year ended September 30, 2023 from ₹3,655.90 million for the half year ended September 30, 2022, which was primarily due to an increase in employees from 15,934 as at September 30, 2022 to 20,355 as at September 30, 2023.

- Professional fees increased by ₹300.71 million, or 43.03%, to ₹999.48 million for the half year ended September 30, 2023 from ₹698.77 million for the half year ended September 30, 2022, which increase was primarily due to an increase in sales related expenses for direct selling agents and higher cost of technology support.

- Advertisement and publicity increased by ₹92.88 million, or 86.71%, to ₹199.99 million for the half year ended September 30, 2023 from ₹107.11 million for the half year ended September 30, 2022, which was primarily due to the advertising campaign for sourcing deposits run during the half year ended September 30, 2023.

- Rent, taxes and lighting increased by ₹88.51 million, or 18.79%, to ₹559.49 million for the half year ended September 30, 2023 from ₹470.98 million for the half year ended September 30, 2022, which was primarily due to an increase in the number of Branches from 559 Branches as at September 2022 to 597 Branches as at September 2023.

- Travel and conveyance increased by ₹79.01 million, or 36.74%, to ₹294.08 million for the half year ended September 30, 2023 from ₹215.07 million for the half year ended September 30, 2022, which was primarily due to travel returning to more normal levels following the decrease in demand for travel in first half of Fiscal 2023 caused by the COVID-19 pandemic.

Provisions and Contingencies

The table set forth below shows details in relation to our provisions and contingencies for the half years ended September 30, 2023 and 2022.

Particulars	Half year ended September 30, 2023 (₹ in millions)	Half year ended September 30, 2022 (₹ in millions)	% increase / (decrease)
Provision for non-performing assets (including bad debts written off)	3,457.35	3,933.63	(12.11)
Provision /(write-back of provision) for standard assets	(145.88)	13.60	N.C.
Amortization of premium on investments	-	-	-
Provision /(write-back of provision) for depreciation on investments	153.72	-	-
Provision/(write-back of provision) for frauds and others	(8.02)	0.85	N.C.
Provision for restructured standard assets (including DIFV)	(28.33)	(157.88)	(82.06)
Sub Total	***3,428.84***	***3,790.20***	***(9.53)***
Provision towards income tax	-	-	-
Deferred tax charge / (credit)	-	-	-
Total	**3,428.84**	**3,790.20**	**(9.53)**

Note: *N.C. means not comparable.*

Our provisions and contingencies decreased by ₹361.36 million, or 9.53%, to ₹3,428.84 million for the half year ended September 30, 2023 from ₹3,790.20 million for the half year ended September 30, 2022. The primary reason for this decrease was that the provision for non-performing assets and bad debts written off decreased by ₹476.28 million, or 12.11%, to ₹3,457.35 million for the half year ended September 30, 2023 from ₹3,933.63 million for the half year ended September 30, 2022, which was partially offset by provision for others of ₹153.72 for the half year ended September 30, 2023, which was towards provisions for non-SLR investments, compared to provision for others of Nil for the half year ended September 30, 2022. This provision is for the accounts sold to ARCs and as per RBI regulations, the provisions on these accounts which are sold to ARCs under 85:15 structure is to be provided for in the books of accounts of the selling Bank.

Although our profit before taxes for the half years ended September 30, 2023 and 2022 was ₹2,132.18 million and ₹556.34 million, respectively, we did not make a provision towards income or a deferred tax charge for those periods as we had unrecognised deferred tax assets to offset against the tax payable for those periods. As at September 30, 2023, we had a net deferred tax asset of ₹10,238.90 million, which has not been recognised but which will be available to offset tax on future taxable income.

Net Profit/(Loss) for the Period

As a result of the above, our net profit for the period increased by ₹1,575.84 million, or 283.25%, to ₹2,132.18 million for the half year ended September 30, 2023 from ₹556.34 million for the half year ended September 30, 2022.

Fiscal 2023 Compared to Fiscal 2022

The following table sets forth a summary of our restated summary statement of profit and loss for Fiscal 2023 and Fiscal 2022:

Particulars	**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in millions)	**% of Total Income**	**Amount (₹ in millions)**	**% of Total Income**
Income:				
Interest Earned	30,750.10	83.11	27,265.35	89.03
Other Income	6,248.65	16.89	3,358.30	10.97
Total Income	**36,998.75**	**100.00**	**30,623.65**	**100.00**
Expenditure:				
Interest Expended	14,149.90	38.24	13,367.52	43.65
Operating Expenses	12,845.11	34.72	11,388.21	37.19
Provisions and Contingencies	7,444.03	20.12	5,693.21	18.59
Total Expenditure	**34,439.04**	**93.08**	**30,448.94**	**99.43**
Net Profit/(loss) for the year	**2,559.71**	**6.92**	**174.71**	**0.57**

Total Income

Our total income increased by ₹6,375.10 million, or 20.82%, to ₹36,998.75 million for Fiscal 2023 from ₹30,623.65 million for Fiscal 2022 as a result of a ₹3,484.75 million, or 12.78%, increase in interest earned and a ₹2,890.35 million, or 86.07%, increase in other income.

Interest Earned

The table set forth below shows details in relation to our interest earned for Fiscal 2023 and Fiscal 2022.

Particulars	**Fiscal 2023 (₹ in millions)**	**Fiscal 2022 (₹ in millions)**	**% increase / (decrease)**
Interest/discount on advances/bills(1)	27,216.07	24,120.34	12.83
Income on investments	3,252.08	2,559.53	27.06
Interest on balances with Reserve Bank of India and other inter-bank funds	281.58	585.09	(51.87)
Others	0.37	0.39	(5.13)
Total	**30,750.10**	**27,265.35**	**12.78**

Note(s):
(1) Includes interest recoveries from technically written off accounts.

Our interest earned increased by ₹3,484.75 million, or 12.78%, to ₹30,750.10 million for Fiscal 2023 from ₹27,265.35 million for Fiscal 2022. The primary reasons for this increase are discussed below.

- Interest/discount on advances/bills increased by ₹3,095.73 million, or 12.83%, to ₹27,216.07 million for Fiscal 2023 from ₹24,120.34 million for Fiscal 2022. This increase was primarily due to a ₹29,520.88 million, or 24.41%, increase in Average Interest-Earning Advances to ₹150,473.30 million for Fiscal 2023 from ₹120,952.41 million for Fiscal 2022, which was partially offset by a decrease in Yield on Average Interest-Earning Advances to 18.09% for Fiscal 2023 from 19.94% for Fiscal 2022.

- Income on investments increased by ₹692.55 million, or 27.06%, to ₹3,252.08 million for Fiscal 2023 from ₹2,559.53 million for Fiscal 2022. This increase was primarily due to a ₹4,375.56 million, or 8.49%, increase in Average Interest-Earning Investments to ₹55,899.73 million for Fiscal 2023 from ₹51,524.17 million for Fiscal 2022, and an increase in the Yield on Average Interest-Earning Investments to 5.82% for Fiscal 2023 from 4.97% for Fiscal 2022.

- Income on balances with Reserve Bank of India and other inter-bank funds decreased by ₹303.51 million, or 51.87%, to ₹281.58 million for Fiscal 2023 from ₹585.09 million for Fiscal 2022. This decrease was primarily due to a ₹9,080.98 million, or 52.23%, decrease in Average Balances with Reserve Bank of India and Other Inter-Bank Funds to ₹8,304.69 million for Fiscal 2023 from ₹17,385.67 million for Fiscal 2022, which was partially offset by a marginal increase in the Yield on Average Balances with Reserve Bank of India and Other Inter-Bank Funds to 3.40% for Fiscal 2023 from 3.37% for Fiscal 2022.

Other Income

The table set forth below shows details in relation to our other income for Fiscal 2023 and Fiscal 2022.

Particulars	Fiscal 2023 (₹ in millions)	Fiscal 2022 (₹ in millions)	% increase / (decrease)	Recurring / Non-recurring
Commission, exchange and brokerage	3,084.03	2,534.38	21.69	Recurring
Profit on sale of investments (net)	29.60	46.52	(36.37)	Recurring
Profit / (loss) on sale of land, buildings and other assets (net)	(9.75)	(2.07)	(371.01)	Non-recurring
Miscellaneous income	3,144.77	779.47	303.45	Recurring
Of which:				
Profit on Sale of Assets to ARC	*1,865.92*	*0.00*	*N.C.*	*Recurring*
PSLC income	*495.18*	*127.11*	*289.57*	*Recurring*
Recoveries from written off accounts	*706.47*	*574.24*	*23.03*	*Recurring*
Lease income	*60.39*	*72.47*	*(16.67)*	*Recurring*
Total	**6,248.65**	**3,358.30**	**86.07**	

Note(s): N.C. means not comparable.

Our other income increased by ₹2,890.35 million, or 86.07%, to ₹6,248.65 million for Fiscal 2023 from ₹3,358.30 million for Fiscal 2022. The primary reasons for this increase are discussed below.

- Our miscellaneous income increased by ₹2,365.30 million, or 303.45%, to ₹3,144.77 million for Fiscal 2023 from ₹779.47 million for Fiscal 2022. This increase was primarily due to Profit on Sale of Assets to ARC to ₹1,865.92 million for Fiscal 2023 from nil for Fiscal 2022, an increase in PSLC income by ₹368.07 million, or 289.57%, to ₹495.18 million for Fiscal 2023 from ₹127.11 million for Fiscal 2022, and a ₹132.23 million, or 23.03%, increase in recoveries from written off accounts to ₹706.47 million for Fiscal 2023 from ₹574.24 million for Fiscal 2022.

- Our income from commissions, exchanges and brokerage income increased by ₹549.65 million, or 21.69%, to ₹3,084.03 million for Fiscal 2023 from ₹2,534.38 million for Fiscal 2022. This increase was primarily due to a ₹538.16 million, or 34.06%, increase in processing fees for advances to ₹2,118.23 million for Fiscal 2023 from ₹1,580.07 million for Fiscal 2022.

Total Expenditure

Our total expenditure increased by ₹3,990.10 million, or 13.10%, to ₹34,439.04 million for Fiscal 2023 from ₹30,448.94 million for Fiscal 2022. The primary reasons for this decrease are discussed below:

Interest Expended

The table set forth below shows details in relation to our interest expended for Fiscal 2023 and Fiscal 2022.

Particulars	Fiscal 2023 (₹ in millions)	Fiscal 2022 (₹ in millions)	% increase /(decrease)
Interest on deposits (A)	10,024.05	9,304.24	7.74
Interest on Reserve Bank of India/inter-bank borrowings (i)	348.55	3,007.75	(88.41)
Other interest (including interest on debentures and other borrowings) (ii)	3,777.30	1,055.53	257.86
Interest on total borrowings (i)+(ii)=(B)	***4,125.85***	***4,063.28***	***1.54***
Total (A)+(B)	**14,149.90**	**13,367.52**	**5.85**

Our interest expended increased by ₹782.38 million, or 5.85%, to ₹14,149.90 million for Fiscal 2023 from ₹13,367.52 million for Fiscal 2022. The primary reasons for this increase are discussed below.

- Interest on deposits increased by ₹719.81 million, or 7.74%, to ₹10,024.05 million for Fiscal 2023 from ₹9,304.24 million for Fiscal 2022. This increase was primarily due to a ₹16,833.86 million, or 13.08%, increase in Average Total Deposits to ₹145,506.52 million for Fiscal 2023 from ₹128,672.66 million for Fiscal 2022, which was partially offset by a decrease in the Cost of Average Total Deposits to 6.89% for Fiscal 2023 from 7.23% for Fiscal 2022.

- Interest on others (including interest on debentures and other borrowings) increased by ₹2,721.77 million, or 257.86%, to ₹3,777.30 million for Fiscal 2023 from ₹1,055.53 million for Fiscal 2022.

- The above increases were partially offset by the decrease in interest on Reserve Bank of India/inter-bank borrowings by ₹2,659.20 million, or 88.41%, to ₹348.55 million for Fiscal 2023 from ₹3,007.75 million for Fiscal 2022.

Operating Expenses

The table set forth below shows details in relation to our operating expenses for Fiscal 2023 and Fiscal 2022.

Particulars	**Fiscal 2023 (₹ in millions)**	**Fiscal 2022 (₹ in millions)**	**% increase / (decrease)**
Payments to and provisions for employees	7,775.78	6,989.89	11.24
Rent, taxes and lighting	977.06	915.63	6.71
Printing and stationery	95.18	89.67	6.14
Advertisement and publicity	211.58	105.90	99.79
Depreciation on Bank's property (including leased assets)	686.89	808.15	(15.00)
Directors' fees, allowances and expenses	6.38	5.51	15.79
Auditors' fees and expenses	12.42	10.03	23.83
Law charges	103.05	75.88	35.81
Postage, courier, telephones etc.	175.95	163.30	7.75
Repairs and maintenance	282.19	270.87	4.18
Insurance	174.24	164.91	5.66
Other expenditure	2,344.39	1,788.47	31.08
Of which:			
Travel and conveyance	*478.29*	*350.39*	*36.50*
Professional fees (includes cost of outsourced technology support services)	*1,479.65*	*1,055.12*	*40.24*
Others	*386.45*	*382.96*	*0.91*
Total	**12,845.11**	**11,388.21**	**12.79**

Our operating expenses increased by ₹1,456.90 million, or 12.79%, to ₹12,845.11 million for Fiscal 2023 from ₹11,388.21 million for Fiscal 2022. The primary reasons for this increase are discussed below.

- Payments to and provisions for employees increased by ₹785.89 million, or 11.24%, to ₹7,775.78 million for Fiscal 2023 from ₹6,989.89 million for Fiscal 2022, which increase was primarily due to higher incentive costs.

- Professional fees increased by ₹424.53 million, or 40.24%, to ₹1,479.65 million for Fiscal 2023 from ₹1,055.12 million for Fiscal 2022, which increase was primarily due to an increase in sales related expenses and higher cost of technology.

- Travel and conveyance increased by ₹127.90 million, or 36.50%, to ₹478.29 million for Fiscal 2023 from ₹350.39 million for Fiscal 2022, which increase was primarily due to travel returning to more normal levels following the decrease in demand for travel in Fiscal 2022 caused by the COVID-19 pandemic.

The above increases were partially offset by, among others, the following:

- Depreciation on Bank's property (including leased assets) decreased by ₹121.26 million, or 15.00%, to ₹686.89 million for Fiscal 2023 from ₹808.15 million for Fiscal 2022.

Provisions and Contingencies

The table set forth below shows details in relation to provisions and contingencies for Fiscal 2023 and Fiscal 2022.

Particulars	**Fiscal 2023 (₹ in millions)**	**Fiscal 2022 (₹ in millions)**	**% increase / (decrease)**
Provision towards NPA (including bad debts written off)	6,846.43	6,140.24	11.50
Provision/(write-back of provision) for standard assets	818.87[(1)]	25.86[(2)]	3,066.55
Provision/(write-back of provision) for restructured standard assets (including DIFV)	(223.59)	(483.56)	53.76
Provision/(write-back of provision) for depreciation on investment	(0.12)	(3.92)	96.94
Provision/(write-back of provision) for frauds and others	2.44	14.59	(83.28)
Provision towards income tax	–	–	–
Deferred tax charge	–	–	–
Total	**7,444.03**	**5,693.21**	**30.75**

Notes: N.C. means not comparable.

(1) We made additional contingency provision on standard assets of ₹710.00 million for Fiscal 2023.

(2) We made additional contingency provision on standard assets of nil for Fiscal 2022.

Our provisions and contingencies increased by ₹1,750.82 million, or 30.75%, to ₹7,444.03 million for Fiscal 2023 from ₹5,693.21 million for Fiscal 2022. The primary reason for this increase was (i) that the provision for non-performing assets and bad debts written off increased by ₹706.19 million, or 11.50%, to ₹6,846.43 million for Fiscal 2023 from ₹6,140.24 million for Fiscal 2022, which increase was primarily due to the restructuring of our unsecured loan portfolio; and (ii) the increase in provision for standard assets by ₹793.01 million or 3,066.55%, to ₹818.87 million for Fiscal 2023 from ₹25.86 million for Fiscal 2022 on account of the additional contingency provision on standard assets of ₹710.00 million for Fiscal 2023, based on our evaluation of the risk and stress in unsecured advances in the SMA categories.

Although our profit before taxes for Fiscals 2023 and 2022 was ₹2,559.71 million and ₹174.71 million, respectively, we did not make a provision towards income or a deferred tax charge for Fiscals 2023 and 2022 as we had unrecognised deferred tax assets to offset against the tax payable for Fiscals 2023 and 2022.

Net Profit/(Loss)

As a result of the above, our net profit for the year was ₹2,559.71 million for Fiscal 2023 compared to a net profit of ₹174.71 million for Fiscal 2022.

Fiscal 2022 Compared to Fiscal 2021

The following table sets forth a summary of our restated summary statement of profit and loss for Fiscal 2022 and Fiscal 2021:

Particulars	**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ in millions)	**% of Total Income**	**Amount (₹ in millions)**	**% of Total Income**
Income:				
Interest Earned	27,265.35	89.03	24,977.28	91.80
Other Income	3,358.30	10.97	2,230.13	8.20
Total Income	**30,623.65**	**100.00**	**27,207.41**	**100.00**
Expenditure:				
Interest Expended	13,367.52	43.65	12,345.79	45.38
Operating Expenses	11,388.21	37.19	10,473.10	38.49
Provisions and Contingencies	5,693.21	18.59	3,665.92	13.47
Total Expenditure	**30,448.94**	**99.43**	**26,484.81**	**97.34**
Net Profit/(loss) for the year	**174.71**	**0.57**	**722.60**	**2.66**

Total Income

Our total income increased by ₹3,416.24 million, or 12.56%, to ₹30,623.65 million for Fiscal 2022 from ₹27,207.41 million for Fiscal 2021 as a result of a ₹2,288.07 million, or 9.16%, increase in interest earned and a ₹1,128.17 million, or 50.59%, increase in other income.

Interest Earned

The table set forth below shows details in relation to our interest earned for Fiscal 2022 and Fiscal 2021.

Particulars	Fiscal 2022 (₹ in millions)	Fiscal 2021 (₹ in millions)	% increase / (decrease)
Interest/discount on advances/bills[(1)]	24,120.34	23,014.66	4.80
Income on investments	2,559.53	1,719.19	48.88
Interest on balances with Reserve Bank of India and other inter-bank funds	585.09	243.28	140.50
Others	0.39	0.15	160.00
Total	**27,265.35**	**24,977.28**	**9.16**

Note(s):

(1) Includes interest recoveries from technically written off accounts.

Our interest earned increased by ₹2,288.07 million, or 9.16%, to ₹27,265.35 million for Fiscal 2022 from ₹24,977.28 million for Fiscal 2021. The primary reasons for this increase are discussed below.

- Interest/discount on advances/bills increased by ₹1,105.68 million, or 4.80%, to ₹24,120.34 million for Fiscal 2022 from ₹23,014.66 million for Fiscal 2021. This increase was primarily due to a ₹15,446.47 million, or 14.64%, increase in Average Interest-Earning Advances to ₹120,952.41 million for Fiscal 2022 from ₹105,505.94 million for Fiscal 2021, which was partially offset by a decrease in Yield on Average Interest-Earning Advances to 19.94% for Fiscal 2022 from 21.81% for Fiscal 2021.

- Income on investments increased by ₹840.35 million, or 48.88%, to ₹2,559.53 million for Fiscal 2022 from ₹1,719.19 million for Fiscal 2021. This increase was primarily due to a ₹13,671.30 million, or 36.12%, increase in Average Interest-Earning Investments to ₹51,524.17 million for Fiscal 2022 from ₹37,852.87 million for Fiscal 2021, and an increase in the Yield on Average Interest-Earning Investments to 4.97% for Fiscal 2022 from 4.54% for Fiscal 2021.

- Income on balances with Reserve Bank of India and other inter-bank funds increased by ₹341.81 million, or 140.50%, to ₹585.09 million for Fiscal 2022 from ₹243.28 million for Fiscal 2021. This increase was primarily due to a ₹9,574.65 million, or 122.58%, increase in Average Balances with Reserve Bank of India and Other Inter-Bank Funds to ₹17,385.67 million for Fiscal 2022 from ₹7,811.02 million for Fiscal 2021, and an increase in the Yield on Average Balances with Reserve Bank of India and Other Inter-Bank Funds to 3.37% for Fiscal 2022 from 3.12% for Fiscal 2021.

Other Income

The table set forth below shows details in relation to our other income for Fiscal 2022 and Fiscal 2021.

Particulars	Fiscal 2022 (₹ in millions)	Fiscal 2021 (₹ in millions)	% increase / (decrease)	Recurring / Non-recurring
Commission, exchange and brokerage	2,534.38	1,489.88	70.11	Recurring
Profit on sale of investments (net)	46.52	207.88	(77.62)	Recurring
Profit / (loss) on sale of land, buildings and other assets (net)	(2.07)	(77.28)	97.32	Non-recurring
Miscellaneous income	779.47	609.65	27.86	Recurring
Of which:				
PSLC income	*127.11*	*0.00*	*N.C.*	*Recurring*
Recoveries from written off accounts	*574.24*	*528.24*	*8.71*	*Recurring*
Lease income	*72.47*	*72.47*	*–*	*Recurring*
Total	**3,358.30**	**2,230.13**	**50.59**	

Note(s): N.C. means not comparable.

Our other income increased by ₹1,128.17 million, or 50.59%, to ₹3,358.30 million for Fiscal 2022 from ₹2,230.13 million for Fiscal 2021. The primary reasons for this increase are discussed below.

- Our miscellaneous income increased by ₹169.82 million, or 27.86%, to ₹779.47 million for Fiscal 2022 from ₹609.65 million for Fiscal 2021. This increase was primarily due to an increase in PSLC income to ₹127.11 million for Fiscal 2022 from nil for Fiscal 2021, and a ₹46.00 million, or 8.71%, increase in recoveries from written off accounts to ₹574.24 million for Fiscal 2022 from ₹528.24 million for Fiscal 2021.

- Our income from commissions, exchanges and brokerage income increased by ₹1,044.50 million, or 70.11%, to ₹2,534.38 million for Fiscal 2022 from ₹1,489.88 million for Fiscal 2021. This increase was primarily due to a ₹545.64 million, or 52.75%, increase in processing fees for advances to ₹1,580.07 million for Fiscal 2022 from ₹1,034.43 million for Fiscal 2021.

Total Expenditure

Our total expenditure increased by ₹3,964.13 million, or 14.97%, to ₹30,448.94 million for Fiscal 2022 from ₹26,484.81 million for Fiscal 2021. The primary reasons for this increase are discussed below:

Interest Expended

The table set forth below shows details in relation to our interest expended for Fiscal 2022 and Fiscal 2021.

Particulars	**Fiscal 2022 (₹ in millions)**	**Fiscal 2021 (₹ in millions)**	**% increase /(decrease)**
Interest on deposits (A)	9,304.24	8,703.10	6.91
Interest on Reserve Bank of India/inter-bank borrowings (i)	3,007.75	2,066.09	45.58
Other interest (including interest on debentures and other borrowings) (ii)	1,055.53	1,576.60	(33.05)
Interest on total borrowings (i)+(ii)=(B)	***4,063.28***	***3,642.69***	***11.55***
Total (A)+(B)	**13,367.52**	**12,345.79**	**8.28**

Our interest expended increased by ₹1,021.73 million, or 8.28%, to ₹13,367.52 million for Fiscal 2022 from ₹12,345.79 million for Fiscal 2021. The primary reasons for this increase are discussed below.

- Interest on Reserve Bank of India/inter-bank borrowings increased by ₹941.66 million, or 45.58%, to ₹3,007.75 million for Fiscal 2022 from ₹2,066.09 million for Fiscal 2021.
- Interest on deposits increased by ₹601.14 million, or 6.91%, to ₹9,304.24 million for Fiscal 2022 from ₹8,703.10 million for Fiscal 2021. This increase was primarily due to a ₹21,662.70 million, or 20.22%, increase in Average Total Deposits to ₹128,672.66 million for Fiscal 2022 from ₹107,156.70 million for Fiscal 2021, which was partially offset by a decrease in the Cost of Average Total Deposits to 7.23% for Fiscal 2022 from 8.12% for Fiscal 2021.
- The above increases were partially offset by a ₹521.07 million, or 33.05%, decrease in others (including interest on debentures and other borrowings) to ₹1,055.53 million for Fiscal 2022 from ₹1,576.60 million for Fiscal 2021.

Operating Expenses

The table set forth below shows details in relation to our operating expenses for Fiscal 2022 and Fiscal 2021.

Particulars	**Fiscal 2022 (₹ in millions)**	**Fiscal 2021 (₹ in millions)**	**% increase / (decrease)**
Payments to and provisions for employees	6,989.89	6,184.59	13.02
Rent, taxes and lighting	915.63	1,010.97	(9.43)
Printing and stationery	89.67	62.64	43.15
Advertisement and publicity	105.90	168.44	(37.13)
Depreciation on Bank's property (including leased assets)	808.15	826.77	(2.25)
Directors' fees, allowances and expenses	5.51	5.48	0.55
Auditors’ fees and expenses	10.03	10.82	(7.30)
Law charges	75.88	40.95	85.30
Postage, courier, telephones etc.	163.30	204.44	(20.12)
Repairs and maintenance	270.87	301.40	(10.13)
Insurance	164.91	126.80	30.06
Other expenditure	1,788.47	1,529.80	16.91
Of which:			
Travel and conveyance	*350.39*	*253.27*	*38.35*
Professional fees (includes cost of outsourced technology support services)	*1,055.12*	*980.42*	*7.62*
Others	*382.96*	*296.11*	*29.33*
Total	**11,388.21**	**10,473.10**	**8.74**

Our operating expenses increased by ₹915.11 million, or 8.74%, to ₹11,388.21 million for Fiscal 2022 from ₹10,473.10 million for Fiscal 2021. The primary reasons for this increase are discussed below.

- Payments to and provisions for employees increased by ₹805.30 million, or 13.02%, to ₹6,989.89 million for Fiscal 2022 from ₹6,184.59 million for Fiscal 2021, which increase was primarily due to higher employee incentive costs.
- Professional fees increased by ₹74.70 million, or 7.62%, to ₹1,055.12 million for Fiscal 2022 from ₹980.42 million for Fiscal 2021, which increase was primarily due to an increase in sales related expenses and higher cost of technology.

- Travel and conveyance increased by ₹97.12 million, or 38.35%, to ₹350.39 million for Fiscal 2022 from ₹253.27 million for Fiscal 2021, which increase was primarily due to travel returning to more normal levels following the decrease in demand for travel in Fiscal 2021 caused by the COVID-19 pandemic.

The above increases were partially offset by, among others, the following:

- Rent, taxes and lighting decreased by ₹95.34 million, or 9.43%, to ₹915.63 million for Fiscal 2022 from ₹1,010.97 million for Fiscal 2021, which decrease was primarily due to the re-negotiation and lowering of rentals post COVID-19.
- Advertisement and publicity decreased by ₹62.54 million, or 37.13%, to ₹105.90 million for Fiscal 2022 from ₹168.44 million for Fiscal 2021, which decrease was primarily on account of the "Jama Karo, Jana Karo" (which translates as "Think of Jana every time you think of saving") campaign that was conducted in September 2020.

Provisions and Contingencies

The table set forth below shows details in relation to provisions and contingencies for Fiscal 2022 and Fiscal 2021.

Particulars	Fiscal 2022 (₹ in millions)	Fiscal 2021 (₹ in millions)	% increase / (decrease)
Provision towards NPA (including bad debts written off)	6,140.24	2,915.78	110.59
Provision/(write-back of provision) for standard assets	25.86	(31.23)	N.C.
Provision/(write-back of provision) for restructured standard assets (including DIFV)	(483.56)	813.47	N.C.
Provision/(write-back of provision) for depreciation on investment	(3.92)	4.03	N.C.
Provision/(write-back of provision) for frauds and others	14.59	(36.13)	N.C.
Provision towards income tax	–	–	–
Deferred tax charge	–	–	–
Total	**5,693.21**	**3,665.92**	**55.30**

Note(s):
N.C. means not comparable.

Our provisions and contingencies increased by ₹2,027.29 million, or 55.30%, to ₹5,693.21 million for Fiscal 2022 from ₹3,665.92 million for Fiscal 2021. The primary reason for this increase was that the provision for non-performing assets and bad debts written off increased by ₹3,224.46 million, or 110.59%, to ₹6,140.24 million for Fiscal 2022 from ₹2,915.78 million for Fiscal 2021, which increase was primarily due to NPAs arising from the second wave of COVID-19. This increase was partially offset by, among others, there being a decrease in provisions by ₹1,297.03 million to a write back of provision for restructured standard assets (including DIFV) of ₹483.56 million for Fiscal 2022 from a provision of ₹813.47 million for restructured standard assets (including DIFV) in Fiscal 2021.

Although our profit before taxes for Fiscals 2022 and 2021 was ₹174.71 million and ₹722.60 million, respectively, we did not make a provision towards income or a deferred tax charge for Fiscals 2022 and 2021 as we had unrecognised deferred tax assets to offset against the tax payable for Fiscals 2022 and 2021.

Net Profit/(Loss)

As a result of the above, our net profit for the year was ₹174.71 million for Fiscal 2022 compared to a net profit of ₹722.60 million for Fiscal 2021.

Financial Condition

Assets

Our assets as at the specified dates are set out below:

Particulars	As at September 30, 2023	As at March 31, 2023	2022	2021
	(₹ in millions)			
Cash and Balances with the Reserve Bank of India	9,768.28	10,109.39	15,300.19	21,252.87
Balance with Banks and Money at Call and Short Notice	352.93	10,763.69	70.73	1,344.84

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(₹ in millions)			
Investments	55,091.94	52,212.25	50,652.61	46,977.85
Advances	210,087.10	177,595.55	130,066.74	115,996.73
Fixed Assets	1,330.39	1,277.50	1,716.47	2,120.58
Other Assets	4,428.10	4,478.53	4,080.34	3,093.74
Total Assets	**281,058.74**	**256,436.91**	**201,887.08**	**190,786.61**

Cash and Balances with the Reserve Bank of India

Cash and balances with the Reserve Bank of India decreased by 3.37% to ₹9,768.28 million as at September 30, 2023 from ₹10,109.39 million as at March 31, 2023. This decrease was primarily due to a ₹1,290.00 million, or 33.08%, decrease in balances with Reserve Bank of India in other accounts to ₹2,610.00 million as at September 30, 2023 from ₹3,900.00 million as at March 31, 2023. This decrease was partially offset by a ₹892.51 million, or 15.63%, increase in balances with Reserve Bank of India in current accounts to ₹6,602.90 million as at September 30, 2023 from ₹5,710.39 million as at March 31, 2023.

Cash and balances with the Reserve Bank of India decreased by 33.93% to ₹10,109.39 million as at March 31, 2023 from ₹15,300.19 million as at March 31, 2022. This decrease was primarily due to a ₹5,400.00 million, or 58.06%, decrease in balances with Reserve Bank of India in other accounts to ₹3,900.00 million as at March 31, 2023 from ₹9,300.00 million as at March 31, 2022. In addition, cash in hand decreased by ₹279.17 million, or 35.88%, to ₹499.00 million as at March 31, 2023 from ₹778.17 million as at March 31, 2022. This decrease was partially offset by a ₹488.37 million, or 9.35%, increase in balances with Reserve Bank of India in current accounts to ₹5,710.39 million as at March 31, 2023 from ₹5,222.02 million as at March 31, 2022.

Cash and balances with the Reserve Bank of India decreased by ₹5,952.68 million, or 28.01%, to ₹15,300.19 million as at March 31, 2022 from ₹21,252.87 million as at March 31, 2021. This decrease was primarily due to a ₹7,330.00 million, or 44.08%, decrease in balances with Reserve Bank of India in other accounts to ₹9,300.00 million as at March 31, 2022 from ₹16,630.00 million as at March 31, 2021. This decrease was partially offset by a ₹1,215.41 million, or 30.34%, increase in balances with Reserve Bank of India in current account to ₹5,222.02 million as at March 31, 2022 from ₹4,006.61 million as at March 31, 2021. In addition, cash in hand increased by ₹161.91 million, or 26.27%, to ₹778.17 million as at March 31, 2022 from ₹616.26 million as at March 31, 2021.

Balance with Banks and Money at Call and Short Notice

Balances with banks and money at call and short notice decreased by 96.72% to ₹352.93 million as at September 30, 2023 from ₹10,763.69 million as at March 31, 2023. This decrease was primarily due to a ₹8,994.78 million, or 100%, decrease in money at call and short notice with other institutions to nil as at September 30, 2023 from ₹8,994.78 million as at March 31, 2023. In addition, balances with banks in other deposit accounts decreased by ₹1,470.30 million, or 85.11%, to ₹257.25 million as at September 30, 2023 from ₹1,727.55 million as at March 31, 2023.

Balances with banks and money at call and short notice increased by 15,118.00% to ₹10,763.69 million as at March 31, 2023 from ₹70.73 million as at March 31, 2022. This increase was primarily due to a ₹1,705.76 million, or 7,828.18%, increase in balances with banks in other deposit accounts to ₹1,727.55 million as at March 31, 2023 from ₹21.79 million as at March 31, 2022. In addition, money at call and short notice with other institutions increased to ₹8,994.78 million as at March 31, 2023 from nil as at March 31, 2022 and balances with banks in current accounts increased by ₹7.58 million, or 15.49%, to ₹41.36 million as at March 31, 2023 from ₹48.94 million as at March 31, 2022.

Balances with banks and money at call and short notice decreased by 94.74% to ₹70.73 million as at March 31, 2022 from ₹1,344.84 million as at March 31, 2021. This decrease was primarily due to a ₹1,175.86 million, or 98.18%, decrease in balances with banks in other deposit accounts to ₹21.79 million as at March 31, 2022 from ₹1,197.65 million as at March 31, 2021. In addition, balances with banks in current accounts decreased by ₹98.25 million, or 66.75%, to ₹48.94 million as at March 31, 2022 from ₹147.19 million as at March 31, 2021.

Investments

All of our investments, except for ₹5,076.96 million, ₹2,934.81 million and ₹925.23 million of others (security receipts, pass through certificates) as at September 30, 3023, March 31, 2023 and March 31, 2022, respectively, and ₹1.00 million of shares as at March 31, 2020, were Government securities. Changes in our investments were almost entirely due to increases/decreases in our Government securities on account of complying with the SLR requirement and mobilisation of excess liquidity.

Advances

The advances shown in our balance sheet are our advances (net of provisions) (i.e., our net advances). The table below sets forth our advances (net of provisions) by product category as at the dates indicated.

Classification of Advances[(1)]	As at September 30, 2023		As at March 31,					
			2023		2022		2021	
	Net Advances (₹ in millions)	% of Total	Net Advances (₹ in millions)	% of Total	Net Advances (₹ in millions)	% of Total	Net Advances (₹ in millions)	% of Total
Group loans	6,035.67	2.87	5,696.63	3.20	11,744.72	9.03	37,505.27	32.33
Agricultural and allied loans	35,550.67	16.92	30,686.85	17.27	18,310.00	14.08	15,017.83	12.95
Individual loans	46,293.01	22.04	42,333.38	23.84	29,870.77	22.97	13,257.74	11.43
Total unsecured advances	**87,879.34**	**41.83**	**78,716.86**	**44.32**	**59,925.49**	**46.07**	**65,780.84**	**56.71**
MSME loans	31,062.59	14.79	26,030.40	14.66	18,812.81	14.46	13,996.68	12.07
Affordable housing loans	29,521.81	14.05	23,800.11	13.40	16,575.00	12.74	9,322.86	8.04
Micro LAP / Micro Housing	38,620.49	18.38	28,043.43	15.79	18,743.44	14.41	12,045.88	10.38
Gold loans	2,697.50	1.28	2,240.26	1.26	2,570.00	1.98	5,650.47	4.87
Two Wheeler Loans	3,305.40	1.57	2,332.43	1.31	1,250.00	0.96	110.00	0.09
Loans against fixed deposits	3,097.81	1.47	2,445.97	1.38	2,290.00	1.76	2,660.00	2.29
Term loans to NBFCs	13,902.15	6.62	13,986.10	7.88	9,900.00	7.61	6,430.00	5.54
Total secured advances	**122,207.76**	**58.17**	**98,878.70**	**55.68**	**70,141.25**	**53.93**	**50,215.89**	**43.29**
Total	**210,087.10**	**100.00**	**177,595.55**	**100.00**	**130,066.74**	**100.00**	**115,996.73**	**100.00**

Note(s):
(1) Includes loans purchased under Direct Assignment.

Our advances (net of provisions) increased by ₹32,491.55 million, or 18.30%, from ₹177,595.55 million as at March 31, 2023 to ₹210,087.10 million as at September 30, 2023, which was primarily due to an increase in Micro LAP / Micro Housing loans by ₹10,577.06 million, affordable housing loans by ₹5,721.69 million, MSME loans by ₹5,032.19 million, agricultural and allied loans by ₹4,863.81 million and individual loans by ₹3,959.63 million.

Our advances (net of provisions) increased by ₹47,528.81 million, or 36.54%, from ₹130,066.74 million as at March 31, 2022 to ₹177,595.55 million as at March 31, 2023, which was primarily due to an increase in individual loans by ₹12,462.61 million, agricultural and allied loans by ₹12,376.85 million, Micro LAP / Micro Housing loans by ₹9,299.99 million, affordable housing loans by ₹7,225.11 million, and MSME loans by ₹7,217.59 million.

Our advances (net of provisions) increased by ₹14,070.01 million, or 12.13%, from ₹115,996.73 million as at March 31, 2021 to ₹130,066.74 million as at March 31, 2022, which was primarily due to an increase in our secured lending business, majorly contributed by an increase in affordable housing loans by ₹7,252.14 million, Micro LAP / Micro Housing loans by ₹6,697.55 million, MSME loans by ₹4,816.13 million, Term Loans to NBFCs by ₹3,470.00 million and Two Wheeler loans by ₹1,140.00 million. The increases were partially offset by a ₹5,855.35 million, or 8.90%, decrease in unsecured lending business from ₹65,780.84 million as at March 31, 2021 to ₹59,925.49 million as at March 31, 2022. Due to the nation-wide lockdown implemented in response to the COVID-19 pandemic, our disbursement activities for all loans were almost stopped entirely during the month of April 2020 and was severely curtailed in May 2020. Effective June 1, 2020, loan disbursement activities for these loans started functioning again in most of the centres, except in those areas where the effect of COVID-19 was severe and the respective state governments imposed restrictions on various activities. For a table showing disbursements by unsecured advances and secured advances, see "– *Significant Factors Affecting Our Financial Condition, Results of Operations and Cash Flows – Effects of the COVID-19 Pandemic*" on page 473.

Fixed Assets

Our fixed assets comprise leasehold improvements, computers, software, furniture & fixtures, office & electrical equipment and servers and networks. Our fixed assets also include leased assets provided on lease, primarily comprising lease hold improvements, office equipment and furniture & fixtures.

Our fixed assets increased by 4.14% to ₹1,330.39 million as at September 30, 2023 from ₹1,277.50 million as at March 31, 2023. Our fixed assets decreased by 25.57% to ₹1,277.50 million as at March 31, 2023 from ₹1,716.47 million as at March 31, 2022, primarily due to the impact of depreciation over the period. Our fixed assets decreased by 19.06% to ₹1,716.47 million as at March 31, 2022 from ₹2,120.58 million as at March 31, 2021, as result of the impact of depreciation over the period.

Other Assets

Our other assets primarily comprise (1) interest accrued, (2) others (which primarily include deposits with Rural Infrastructure Development Fund and other funds) and (3) tax paid in advance / tax deducted at source (net of provisions).

Our other assets decreased by 1.13% to ₹4,428.10 million as at September 30, 2023 from ₹4,478.53 million as at March 31, 2023, primarily due to lower interest accrued. Our other assets increased by 9.76% to ₹4,478.53 million as at March 31, 2023 from ₹4,080.34 million as at March 31, 2022, primarily due to higher interest accrued on account of the increase in our loans and advances. Our other assets increased by 31.89% to ₹4,080.34 million as at March 31, 2022 from ₹3,093.74 million as at March 31, 2021, primarily due to higher interest accrued on account of the increase in our loans and advances.

Capital and Liabilities

Our capital and liabilities as at the specified dates are set out below:

Particulars	**As at September 30, 2023**	**As at March 31,**		
		2023	**2022**	**2021**
	(₹ in millions)			
Capital	3,435.26	3,249.79	2,014.12	2,007.27
Reserves and surplus	22,254.39	14,722.77	9,992.88	9,140.86
Deposits	189,367.24	163,340.16	135,364.92	123,162.58
Borrowings	53,135.43	62,774.60	45,098.32	48,153.19
Other liabilities and provisions	12,866.42	12,349.59	9,416.84	8,322.71
Total	**281,058.74**	**256,436.91**	**201,887.08**	**190,786.61**

Capital

Our capital increased by ₹185.47 million, or 5.71%, from ₹3,249.79 million as at March 31, 2023 to ₹3,435.26 million as at September 30, 2023, which increase was due to (i) a ₹148.51 million increase from the issuance of 14,850,632 Equity Shares of face value ₹10 each at a price per share of ₹302.98 pursuant to a rights issue and the (ii) a ₹36.97 million increase from the conversion of 112,000,000 unsecured, fully paid-up, non-cumulative compulsorily convertible preference shares of face value of ₹10 each issued in the half year ended September 30, 2023 into 3,696,613 Equity Shares.

Our capital increased by ₹1,235.67 million, or 61.35%, from ₹2,014.12 million as at March 31, 2022 to ₹3,249.79 million as at March 31, 2023. The increase in capital was primarily driven by issuance of compulsorily convertible preference shares of ₹1,200.00 million and the increase of equity share capital by ₹35.67 million on account of fresh issuances of Equity Shares during the year. The increase in our capital by ₹6.85 million from ₹2,007.27 million as at March 31, 2021 to ₹2,014.12 million as at March 31, 2022 was on account of fresh equity share capital issuances during the year.

For details on the issuances of Equity Shares and Preference Shares, see "*Capital Structure-Share Capital History of our Bank*" on page 130.

Reserves and Surplus

The primary reasons for changes in our reserves and surplus was on account of increases in share premium associated with issuances of Equity Shares summarised above and increases in the balance in the profit and loss account due to the net profit for the period/year for the half year ended September 30, 2023 and Fiscals 2023, 2022 and 2021.

Deposits

As an NBFC-MFI, we were unable to accept deposits as per applicable laws in India. Since becoming a Small Finance Bank, we have placed a strong emphasis on increasing our Retail Deposits, as they have lower rates of interest compared to Bulk Deposits and they tend to stay deposited with our Bank over a longer period compared to Bulk Deposits. Our deposits increased by ₹40,177.58 million, or 32.62%, from ₹123,162.58 million as at March 31, 2021 to ₹163,340.16 million as at March 31, 2023 and further increased by ₹26,027.08 million, or 15.93%, to ₹189,367.24 million as at September 30, 2023. The following table sets forth, as at the dates indicated, our deposits by category and the percentage composition by each category of deposits.

Particulars	As at September 30, 2023		As at March 31,					
			2023		2022		2021	
	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total	Amount (₹ in millions)	% of Total
Demand deposits [A]	9,125.89	4.82	7,123.88	4.36	7,661.51	5.66	5,787.83	4.70
Savings bank deposits [B]	29,670.13	15.67	25,885.69	15.85	22,829.22	16.86	14,276.30	11.59
CASA [C = A + B]	***38,796.02***	***20.49***	***33,009.57***	***20.21***	***30,490.73***	***22.52***	***20,064.13***	***16.29***
Term deposits [D]	150,571.22	79.51	130,330.59	79.79	104,874.19	77.48	103,098.45	83.71
Of which:								
Retail Term Deposits [E]	*88,479.10*	*46.72*	*81,681.36*	*50.01*	*72,191.41*	*53.33*	*70,461.29*	*57.21*
Wholesale Deposits	*62,092.12*	*32.79*	*48,649.23*	*29.78*	*32,682.78*	*24.14*	*32,637.16*	*26.50*
Retail Deposits [F = C + E]	***127,275.12***	***67.21***	***114,690.93***	***70.22***	***102,682.14***	***75.86***	***90,525.42***	***73.50***
Total [G = C + D]	**189,367.24**	**100.00**	**163,340.16**	**100.00**	**135,364.92**	**100.00**	**123,162.58**	**100.00**

Borrowings

The following table sets forth our borrowings as at the dates indicated.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(₹ in millions)			
Borrowings in India:				
Reserve Bank of India	8,010.00	8,000.00	8,000.00	–
Other banks	2,260.00	3,080.00	3,144.50	5,744.50
Of which:				
Subordinated debt (Tier II capital)	*2,250.00*	*3,030.00*	*3,030.00*	*3,430.00*
Other institutions and agencies	42,865.43	51,694.60	33,953.82	42,134.53
Of which:				
Subordinated debt (Tier II capital)	*1,250.00*	*1,270.00*	*1,530.00*	*3,580.00*
Borrowings outside India	-	–	–	**274.16**
Total	**53,135.43**	**62,774.60**	**45,098.32**	**48,153.19**

Other Liabilities and Provisions

The following table sets forth our other liabilities and provisions as at the dates indicated.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(₹ in millions)			
Bills payable	4,004.57	4,959.03	4,259.46	2,142.37
Inter office adjustments (net)	-	–	–	–
Interest accrued	3,767.94	3,086.49	2,355.75	2,379.58
Others (including provisions)[(1)]	3,911.51	2,947.46	2,040.34	2,582.87
Standard Assets – General Provision	1,182.40	1,356.61	761.29	1,217.89
Total	**12,866.42**	**12,349.59**	**9,416.84**	**8,322.71**

Note(s):
(1) Others primarily includes provisions for operating expenses, NEFT/RTGS settlement payable and lease equalisation reserve.

Our Business Segments

We have identified our business segments after taking into account the internal business reporting system and guidelines issued by the RBI through its notification dated April 18, 2007. We operate in the following business segments:

- *Treasury*. The treasury segment includes all investment portfolios, profit / loss on sale of investments and income and expenses from money market operations.

- *Corporate/Wholesale Banking.* The corporate/wholesale banking segment includes all advances to companies and statutory bodies that are not included under Retail Banking.

- *Retail Banking.* The retail banking segment includes lending to and deposits from retail customers and identified earnings and expenses of the segment.

- *Other Banking Operations.* The other banking operations segment comprises all operations not covered under Treasury, Corporate / Wholesale Banking and Retail Banking.

Our segment results and segment revenue for each of our business segments are set forth in the table below for the periods/Fiscals indicated:

Particulars	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Inter Segmental Revenue	Total	
	Segment Revenue	Segment Results	Segment Revenue	Segment Results	Segment Revenue	Segment Results	Segment Revenue	Segment Results	Segment Revenue	Segment Revenue	Segment Results
	(₹ in millions)										
Half year ended September 30, 2022	5,297.20	219.05	757.60	140.46	21,099.74	76.27	145.56	120.56	(10,403.93)	**16,896.17**	**556.34**
Half year ended September 30, 2023	5,864.84	274.56	1,080.48	171.47	27,578.17	1,173.45	512.70	512.70	(12,880.52)	**22,155.67**	**2,132.18**
Fiscal 2023	10,968.44	243.85	1,552.59	314.12	45,711.82	1,701.38	331.71	300.36	(21,565.81)	**36,998.75**	**2,559.71**
Fiscal 2022	13,712.63	1,245.59	1,291.44	73.58	38,185.77	(1,300.32)	286.08	155.86	(22,852.27)	**30,623.65**	**174.71**
Fiscal 2021	7,949.57	(977.48)	588.88	77.71	35,870.81	1,642.92	261.86	(20.55)	(17,463.71)	**27,207.41**	**722.60**

Retail Banking and Treasury segments account for the majority of our segment revenue and segment results. As such, we have not included a discussion on the segment revenue and segment results of our Corporate / Wholesale Banking and Other Banking Operations segments,

Retail Banking

<u>Half Year Ended September 30, 2023 Compared to the Half Year Ended September 30, 2022</u>

The Retail Banking segment result increased by ₹1,097.18 million, or 1,438.550%, to ₹1,173.45 million for the half year ended September 30, 2023 from ₹76.27 million for the half year ended September 30, 2022. This increase was primarily due to a ₹6,478.43 million, or 30.70%, increase in total segment revenue to ₹27,578.17 million for the half year ended September 30, 2023 compared to ₹21,099.74 million for the half year ended September 30, 2022, which was primarily due to a 25.27% increase in Average Interest-Earning Advances of the Retail Banking segment to ₹174,632.11 million for the half year ended September 30, 2023 from ₹139,400.43 million for the half year ended September 30, 2022.

<u>Fiscal 2023 Compared to Fiscal 2022</u>

The Retail Banking segment result increased by ₹3,001.70 million to ₹1,701.38 million for Fiscal 2023 from ₹(1,300.32) million for Fiscal 2022. This increase was primarily due to a ₹7,526.05 million, or 19.71%, increase in total segment revenue to ₹45,711.82 million for Fiscal 2023 compared to ₹38,185.77 million Fiscal 2022, which was primarily due to a 36.86% increase in Average Interest-Earning Advances of the Retail Banking segment to ₹149,512.87 million for Fiscal 2023 from ₹109,246.40 million for Fiscal 2022.

The above factors were partially offset by a ₹4,524.35 million, or 11.46%, increase in total segment expenses to ₹44,010.44

million for Fiscal 2023 from ₹39,486.09 million for Fiscal 2022.

Fiscal 2022 Compared to Fiscal 2021

The Retail Banking segment result decreased by ₹2,943.24 million to ₹(1,300.32) million for Fiscal 2022 from ₹1,642.92 million for Fiscal 2021. This decrease was primarily due to a ₹5,258.20 million, or 15.36%, increase in total segment expenses to ₹39,486.09 million for Fiscal 2023 from ₹34,227.89 million for Fiscal 2022. This decrease was partially offset by a ₹2,314.96 million, or 6.45%, increase in total segment revenue to ₹38,185.77 million for Fiscal 2022 compared to ₹35,870.81 million for Fiscal 2021, which was primarily due to a 8.32% increase in Average Interest-Earning Advances of the Retail Banking segment to ₹109,246.40 million for Fiscal 2022 from ₹100,857.90 million for Fiscal 2021.

Treasury

Half Year Ended September 30, 2023 Compared to the Half Year ended September 30, 2022

The Treasury segment result increased by ₹55.50 million, or 25.34%, to ₹274.56 million for the half year ended September 30, 2023 from ₹219.05 million for the half year ended September 30, 2022. This increase was primarily due to a ₹567.64 million increase in total segment revenue to ₹5,864.84 million for the half year ended September 30, 2023 from ₹5,297.20 million for the half year ended September 30, 2022, which increase was partially offset by a ₹508.57 million increase in interest expenses relating to Treasury liabilities.

Fiscal 2023 Compared to Fiscal 2022

The Treasury segment result decreased by ₹1,001.74 million, or 80.42%, to ₹243.85 million for Fiscal 2023 from ₹1,245.59 million for Fiscal 2022. This decrease was primarily due to an increase in funds transfer pricing income (internal funds transfer pricing) by ₹2,580.28 million to ₹8,340.90 million for Fiscal 2023 from ₹10,921.18 million for Fiscal 2022, which decrease was partially offset by, among other things, a decrease in expenses in the treasury segment by ₹1,798.02 million to ₹6,586.65 million in Fiscal 2023 from ₹8,384.67 million in Fiscal 2022.

Fiscal 2022 Compared to Fiscal 2021

The Treasury segment result increased by ₹2,223.07 million to ₹1,245.59 million for Fiscal 2022 from ₹(977.48) million for Fiscal 2021. This increase was primarily due to the increase funds transfer pricing income (internal funds transfer pricing) by ₹5,094.49 million to ₹10,921.18 million in Fiscal 2022 from ₹5,826.69 million in Fiscal 2021, which increase was partially offset by, among other things, an increase in funds transfer pricing cost by ₹3,151.09 million to ₹8,384.67 million in Fiscal 2022 from ₹5,233.58 million in Fiscal 2021.

Liquidity and Capital Resources

Cash Flows

The following table summarises our statements of cash flows for the Fiscals indicated:

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)				
Net cash flow generated from / (used in) operating activities	(7,836.00)	(22,206.45)	(11,371.81)	8,586.09	6,153.21
Net cash flow generated from / (used in) investing activities	1,102.09	(652.19)	(4,344.65)	(13,303.67)	(12,657.33)
Net cash flow generated from / (used in) financing activities	(4,070.96)	18,259.76	21,036.14	(2,395.20)	19,165.67
Net increase / (decrease) in cash and cash equivalents	(10,804.86)	(4,598.89)	5,319.68	(7,112.78)	12,661.55
Cash and cash equivalents as at beginning of the period / year	20,668.82	15,349.14	15,349.14	22,461.92	9,800.37
Cash and cash equivalents as at end of the period / year	9,863.95	10,750.25	20,668.82	15,349.14	22,461.92

Operating Activities

For the half year ended September 30, 2023, our operating profit before working capital changes was ₹5,943.27 million and our net cash flow used in operating activities was ₹7,836.00 million. The difference was primarily due to a decrease in advances of ₹36,102.62 million, which was partially offset by, among others, an increase in deposits of ₹26,027.08 million.

For the half year ended September 30, 2022, our operating profit before working capital changes was ₹4,740.11 million and our net cash used in operating activities was ₹22,206.45 million. The difference was primarily due to a decrease in advances of

₹20,149.08 million, which was partially offset by, among others, an increase in deposits of ₹6,275.54 million.

For Fiscal 2023, our operating profit before working capital changes was ₹10,775.34 million and our net cash flow used in operating activities was ₹11,371.81 million. The difference was primarily due to an increase in advances of ₹54,375.24 million, which was partially offset by, among others, an increase in deposits of ₹27,975.24 million.

For Fiscal 2022, our operating profit before working capital changes was ₹6,721.20 million and our net cash flow generated from operating activities was ₹8,586.09 million. The difference was primarily due to an increase in advances of ₹20,210.15 million, which was partially offset by, among others, an increase in deposits of ₹12,202.34 million.

For Fiscal 2021, our operating profit before working capital changes was ₹5,360.07 million and our net cash flow generated from operating activities was ₹6,153.21 million. The difference was primarily due to an increase in deposits of ₹26,643.11 million, which was offset by, among others, an increase in advances of ₹20,128.79 million and an increase in investments of ₹8,289.70 million.

Investing Activities

Net cash generated from investing activities was ₹1,102.09 million for the half year ended September 30, 2023, which was primarily due to a decrease in held-to-maturity securities of ₹1,472.59 million.

Net cash flow used in investing activities was ₹652.19 million for the half year ended September 30, 2022, which was primarily due to an increase in held-to-maturity securities of ₹552.18 million.

Net cash used in investing activities was ₹4,344.65 million for Fiscal 2023, which was primarily due to an increase in held-to-maturity securities of ₹4,086.98 million.

Net cash used in investing activities was ₹13,303.67 million for Fiscal 2022, which was primarily due to an increase in held-to-maturity securities of ₹12,897.56 million.

Net cash used in investing activities was ₹12,657.33 million for Fiscal 2021, which was primarily due to an increase in held-to-maturity securities of ₹12,232.74 million.

Financing Activities

Net cash used in financing activities was ₹4,070.96 million for the half year ended September 30, 2023, which was primarily due to an decrease in other borrowings of ₹9,639.17 million, which was partially offset by, among other things, ₹5,382.74 million from securities premium received (net of issue expenses).

Net cash from financing activities was ₹18,259.76 million for the half year ended September 30, 2022, which was primarily due to (i) an increase in other borrowings of ₹14,394.04 million, (ii) proceeds from issue of compulsorily convertible preference shares of ₹1,200.00 million, (iii) securities premium received (net of issue expenses) of ₹2,130.05 million and (iv) proceeds from the issue of Tier II capital bonds of ₹500.00 million.

Net cash from financing activities was ₹21,036.14 million for Fiscal 2023, which was primarily due to (i) an increase in other borrowings of ₹17,676.28 million, which was primarily due to a new refinance loan of ₹27,846.90 million taken during Fiscal 2023, (ii) proceeds from issue of compulsorily convertible preference shares of ₹1,200.00 million and (iii) securities premium received (net of issue expenses) of ₹2,124.19 million.

Net cash used in financing activities was ₹2,395.20 million for Fiscal 2022, which was primarily due to the decrease in other borrowings of ₹3,555.17 million, which was partially offset by, among others, the securities premium received (net of issue expenses) of ₹653.12 million and proceeds from the issue of Tier II capital bonds of ₹500.00 million.

Net cash generated from financing activities was ₹19,165.67 million for Fiscal 2021, which was primarily due to the increase in other borrowings of ₹19,165.58 million.

Sources of Funding

Our primary source of funding is our relatively low-cost deposits, which is primarily derived from Retail Deposits in India. Our other sources of funding comprise borrowings (including borrowings from other banks in India (including subordinated debt), borrowings from other institutions and agencies in India (including subordinated debt) and refinance) and Shareholders' funds (capital plus reserves and surplus). For details on our deposits, borrowings and Shareholders' funds, see "– *Financial Condition – Capital and Liabilities*" on page 497.

We also raise funds through the sale of inter-bank participation certificates ("**IBPCs**"), assigned advances and NPAs sold to asset reconstruction companies ("**ARCs**"). For details, see "-*Financial Instruments and Off-Balance Sheet Arrangements*" on page 502.

Maturity Profile of our Borrowings and Deposits

For the maturity profile of our borrowings and deposits as at March 31, 2023, see "*Selected Statistical Information – Asset Liability Gap and Interest Sensitivity Data*" on page 378.

Subordinated Debt

We obtain funds from the issuance of unsecured non-convertible subordinated debt securities, which qualify as Tier II risk-based capital under the RBI's guidelines for assessing capital adequacy. The table below sets forth our subordinated debt (Tier-II capital) as at the dates indicted.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(₹ in millions)			
Subordinated debt (Tier-II capital)	3,500	4,300	4,560.00	7,010.00

The following table sets forth details of unsecured non-convertible subordinated debt securities issued by us and outstanding as at September 30, 2023.

Date of Allotment	Rate of Interest (%)	Date of Redemption	Amount (₹ in millions)
Jun 29, 2019	14.50	Jun 27, 2025	1,750.00
Jul 10, 2019	13.15	Jul 10, 2025	500.00
Aug 31, 2021	13.50	Nov 30, 2026	500.00
Dec 22, 2015	13.80	Jul 07, 2027	750.00
Total			**3,500.00**

Restrictive Covenants

There are no restrictive covenants in any of our financing arrangements as at September 30, 2023.

Capital to Risk-Weighted Assets Ratios

For details on our capital to risk-weighted assets ratios, see "*Selected Statistical Information – Capital to Risk-Weighted Assets Ratios*" on page 380.

Financial Instruments and Off-Balance Sheet Arrangements

A bank missing its priority sector lending target is able to reach the target by buying IBPCs issued by other banks that have already exceeded their regulatory targets for priority sector advances. We transfer advances through IBPCs. In accordance with the applicable RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by our Bank is reduced from our advances. IBPCs with risk sharing can be issued for 91-180 days and only in respect of advances classified as standard. At the end of the term, the advances sold via IBPCs are sold back to our Bank. The table below sets forth the outstanding balance of IBPC (risk sharing) as at the dates indicted.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(₹ in millions)			
Outstanding balance of IBPC (risk sharing)	900.00	11,350.00	19,627.50	8,898.80

The table below sets forth the amount of financial assets we sold to securitisation/ reconstruction companies in accordance with the guidelines issued by the RBI for the periods and years indicated.

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)				
Financial assets sold to securitisation/ reconstruction companies in accordance with the guidelines issued by the RBI	8,558.46	4,329.41	10,277.57	925.23	-

The table below sets forth the outstanding balance of our securitised advances as at the dates indicted.

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(₹ in millions)			
Outstanding balance of our securitised advances	15,924.31	9,660.60	1,342.67	415.50

For more details on our securitised advances, see "*Financial Statements – Annexure 23 – Note 8: Disclosure relating to securitisation*" on page 437.

Contingent Liabilities

The components of our contingent liabilities as per AS 29 – Provisions, Contingent Liabilities and Contingent Assets as at the dates indicated are set forth below:

Contingent Liabilities	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	(₹ in millions)			
Claims against our Bank not acknowledged as debts(1)	559.72	559.66	304.69	359.09
Guarantees given on behalf of constituents in India(2)	327.83	26.50	25.00	25.00
Other items for which our Bank is contingently liable(3)	149.03	185.59	87.74	90.50
Total	**1,036.58**	**771.75**	**417.43**	**474.59**

Notes:
(1) We are a party to various taxation matters in respect of which appeals are pending. We expect the outcome of the appeals to be favourable based on decisions on similar issues in the previous years by the appellate authorities, based on the facts of the case and taxation laws. We are a party to various legal proceedings in the normal course of business. We do not expect the outcome of these proceedings to have a material adverse effect on our financial conditions, results of operations or cash flows.
(2) As a part of our commercial banking activities, we issue guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that our Bank will make payments in the event of the customer failing to fulfil its financial or performance obligations.
(3) These include: a) guarantees given our Bank; b) credit enhancements in respect of securitised-out loans; c) bills rediscounted by us; and d) capital commitments.

In February 2019, the Honourable Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952. We have been legally advised that there are interpretative challenges on the application of a judgement retrospectively, and as such, do not consider there is any probable obligations for past periods. Due to imperative challenges, we have not disclosed a contingent liability amount for past liability.

Capital Expenditures

Our capital expenditures are principally for fixed assets, including furniture and fixtures. The table below sets forth our capital expenditures (additions to fixed assets including furniture and fixtures) for the periods and years indicted.

Particulars	Half year ended September 30,		Year ended March 31,		
	2023	2022	2023	2022	2021
	(₹ in millions)				
Capital expenditures (additions to fixed assets including furniture and fixtures)	451.15	236.20	405.30	459.85	371.21

The table below sets forth the estimated number of contracts remaining to be executed on capital account and not provided for (net of capital advances) as at September 30, 2023 due by the periods indicated.

Particulars	Payments due by period				
	Total	Less than 1 year	1 year to 3 years	More than 3 years to 5	More than 5 years
	(₹ in millions)				
Estimated number of contracts remaining to be executed on capital account and not provided for (net of capital advances)	–	–	–	–	–

Non-cancellable Operating Lease Obligations

The table below sets forth our non-cancellable operating lease obligations as at September 30, 2023 for payments due in the specified periods.

Contractual Obligations	Payments due by period			
	Total	Less than 1 year	1 year to 5 years	More than 5 years
	(₹ in millions)			
Non-cancellable operating lease obligations	48.72	31.05	17.67	-

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions as per AS 18 – Related Party Disclosures read with the SEBI ICDR Regulations, see "*Other Financial Information – Related Party Transactions*" on page 462.

Qualitative and Quantitative Disclosure about Market Risks

We do not enter into any financial instruments, including derivative financial instruments, for speculative purposes. For quantitative disclosure about our derivative financial instruments, see "*Financial Statements – Annexure 23 – Note 6: Derivatives*" on page 429.

For qualitative disclosure about our other market risks, see "*Our Business – Risk Management – Risk Management Architecture*" on page 301.

Unusual or Infrequent Events or Transactions

Except as described in this Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Significant Economic Changes that Materially Affect or are Likely to Affect Total Income

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect our total income identified above in "*– Significant Factors Affecting Our Financial Condition, Results of Operations and Cash Flows*" and the uncertainties described in "*Risk Factors*" on pages 467 and 37, respectively.

Known Trends or Uncertainties

To our knowledge, except as discussed in this Prospectus, there are no known trends or uncertainties that have, had or are expected to have a material adverse effect on revenues or income of our Bank from total income.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 37, 255 and 463, respectively, to our knowledge there are no known factors that may adversely affect our business, financial condition and results of operations.

New Products or Business Segments

For details of the effect of new products and business segments on our business, financial condition and results of operations, see "*– Significant Factors Affecting Our Financial Condition, Results of Operations and Cash Flows – Increase in Product Offerings*" on page 476.

Dependence on a Few Customers or Suppliers

We are not dependent on a few customers and we are not dependent on a few suppliers.

Seasonality of Business

Our business is not seasonal in nature.

Competitive Conditions

We operate in a competitive environment. See "*Industry Overview*", "*Risk Factors – 48. We face intense competition in all our principal products and services and if we are unable to compete effectively it would adversely affect our business, financial condition, results of operations and cash flows*" and "*Our Business – Competition*" on pages 215, and 88, respectively, for further information on our industry and competition.

Significant Developments after September 30, 2023

Pursuant to the approval of the Board in their meetings held on August 11, 2023 and January 15, 2024 and the Shareholders in their meetings held on September 4, 2023 and January 18, 2024, respectively, our Bank, in consultation with the BRLMs, undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each, aggregating to ₹121.54 million, and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹1,009.99 million. The size of the Fresh Issue has been adjusted to ₹4,620.00 million. For more details, see "*Capital Structure-Share Capital History of our Bank*" on page 130.

On January 31, 2024, all outstanding CCPS were converted to Equity Shares. For more details, see "*Capital Structure-Share Capital History of our Bank*" on page 130.

Our non-convertible debentures are listed on the BSE. Pursuant to the SEBI Listing Regulations, our Bank is required to publish its quarterly and year to date financial results for the quarter ended December 31, 2023 within 45 days of end of such quarter, i.e. on or prior to February 14, 2024.

In the opinion of the Directors, no circumstances have arisen since September 30, 2023 that would materially and adversely affect or are likely to affect, within the next 12 months: (a) our trading or profitability; (b) the value of our assets; or (c) our ability to pay our liabilities.

CAPITALISATION STATEMENT

The following table sets forth our Bank's capitalization as at September 30, 2023, on the basis of our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" on pages 463, 388 and 37, respectively.

(*₹ in million*)

Particulars	Pre-Offer as at September 30, 2023	As adjusted for the proposed Offer
Borrowings (Refer Note 1)		
Short term borrowings **(A)**	20.00	20.00
Long term borrowings (Refer Note 2) **(B)**	53,115.43	53,115.43
Total Borrowings (C = A+B)	**53,135.43**	**53,135.43**
Shareholders' Funds		
Equity Share Capital	735.26	1,045.90
Preference Share Capital	2,700.00	Nil
Total Share Capital (D)	**3,435.26**	**1,045.90**
Reserves and Surplus		
i) Statutory Reserves	1,890.96	1,890.96
ii) Securities Premium	56,357.96	64,533.42
iii) General Reserve	144.10	144.10
iv) Capital Reserve	209.44	209.44
v) Investment Fluctuation Reserve	576.89	576.89
vi) Investment Reserve	3.03	3.03
vi) Employees Stock Options Outstanding#	218.57	185.15
vii) Balance of Profit and Loss Account	(37,146.56)	(37,146.56)
Total Reserves & Surplus (E)	**22,254.39**	**30,396.43**
Total Shareholder's Funds (F = D+E)	**25,689.65**	**31,442.33**
Long Term Borrowings/ Total Shareholder's Fund (G = B/F)	2.07	1.69
Total Borrowings/ Shareholder's Fund (H = C/F)	**2.07**	**1.69**

#Employees Stock Options outstanding has been adjusted for exercise of RSUs

Notes:

**Subject to finalisation of Basis of Allotment*

1. *Borrowings with original contractual maturity of more than 1 year are classified as Long term, per RBI Regulations. All other borrowings have been classified as Short Term.*
2. *Our Bank had allotted 12,154,044 CCPS pursuant to Pre-IPO placement on December 7, 2023 which were subsequently converted into 401,149 Equity Shares on January 31, 2024. Such allotments have not been given effect to in the above calculations.*
3. *Our Bank had allotted 2,439,607 Equity Shares pursuant to Pre-IPO placement on January 19, 2024. Such allotments have not been given effect to in the above calculations.*
4. *Our Bank had allotted 114,071 Equity Shares pursuant to exercise of RSUs and options. Such allotments have not been given effect to in the above calculations.*
5. *Our Bank had converted 270,000,000 CCPS, held by Hero Ventures, TPG Asia and certain other investors into 16,950,080 Equity Shares on January 31, 2024. Such allotments have not been given effect to in the above calculations.*
6. *The borrowing figures in the "As adjusted for the Offer" column have not been updated for any movements subsequent to September 30, 2023.*
7. *The Reserves and Surplus amount has not been adjusted for offer related expenses on account of the Offer*

FINANCIAL INDEBTEDNESS

Our Bank avails loans in the ordinary course of business for the purposes of onward lending, meeting working capital requirements and for general corporate purposes.

Our Shareholders have authorised our Board to borrow such sums of money as may be required for the purpose of the business of the Bank. For details regarding the borrowing powers of our Board, please see "*Our Management – Borrowing Powers of Board*" on page 351.

Set forth below is a brief summary of our aggregate borrowings as of December 22, 2023:

(in ₹ million)

Category of borrowing	Sanctioned amount	Outstanding amount*
Secured Borrowings		
Special long term repo operation (SLTRO)(1)	8,000.00	8,000.00
Unsecured Borrowings		
Refinance(2)	75,360.00	39,435.73
Call Money (unsecured)(3)	271.00	271.00
TIER II bonds (listed and unlisted)(4)	6,050.00	3,500.00
Total	**89,681.00**	**51,206.73**

Notes:

* *As certified by JHS & Associates LLP, Chartered Accountants pursuant to their certificate dated January 24, 2024.*

(1) *Special long term repo operation (SLTRO) is provided by RBI, with a view to provide further support to small business units, micro and small industries, and other unorganised sector entities adversely affected during the COVID pandemic*

(2) *Refinance Loan is a Short/Medium/Long term loan from financial institutions like NABARD, SIDBI and NHB*

(3) *Call Money is the unsecured borrowing of funds from Banks for a short period (mostly 1 day) to meet short term fund positions*

(4) *Tier-II bonds are a type of debt instrument banks issue to raise capital for their operations*

The range of interest rate for refinance of unsecured borrowings as at December 22, 2023 is between 2.80% to 9.15% per annum.

Off Balance Sheet Exposures as on December 22, 2023

(in ₹ million)

Category of borrowing	Sanctioned amount	Outstanding amount*
Managed Portfolio	16,109.83	10,639.87
Inter-bank participation certificate	0.00	0.00
Total	**16,109.83**	**10,639.87**

* *As certified by JHS & Associates LLP, Chartered Accountants pursuant to the certificate dated January 24, 2024.*

Principal terms of the subsisting borrowings availed by our Bank along with the off-balance sheet exposure:

Interest: The interest rates for the facilities availed by our Bank typically ranges from 2.80 % per annum to 14.50% per annum. In respect of the external commercial borrowings of our Bank, the interest rate is based on the sum of the cost of fund and the spread of the lender, which is subject to changes from time to time. The term loans are provided for an interest rate which is arrived at after factoring the percentage over the relevant lenders one year marginal cost of lending rate along with the base rate. Lastly, for certain loans availed by our Bank, additional interest rates have been stipulated on the occurrence of certain events such as payment related default, breach of terms and conditions etc.

1. ***Tenor:*** The tenor of the term loans and off-balance sheet exposures availed by our Bank typically ranges from 4 days to 498 months.

2. ***Security:*** Our secured loans are typically secured by way of hypothecation of our present and future, movable and immovable assets including receivables, actionable claims, guarantees, assignments, bills of exchange and exclusive first charge on all the book debts of our Bank. The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Bank.

3. ***Pre-payment:*** Certain loans availed by our Bank have pre-payment provisions which allow for pre-payment of the outstanding loan by serving notice to the lender and subject to payment of such pre-payment penalties as may be prescribed. These pre-payment penalties typically range from 1.00% to 3.00% of the amount being prepaid. However, in respect of certain loans availed by us, we are restricted from pre-paying the loan without the prior intimation to the lender.

4. ***Re-payment:*** The repayment period for the facilities availed by us typically ranges from 4 days to 498 months.

5. ***Events of Default:*** Borrowing arrangements entered into by our Bank contain standard events of default, including among others:

a) Failure or inability to pay amount on due dates;

b) Change in control of our Bank without prior approval of the lender;

c) Cessation or change in business without prior approval of the lender;

d) Incorrect or misleading information;

e) Violation of any term of the relevant borrowing agreement;

f) Seizure, nationalization or expropriation by any government authority of substantial assets of our Bank, or which prevents our Bank in any way from carrying out a material portion of our business;

g) Bankruptcy or insolvency of our Bank;

h) Any person seizing to hold or retain such portion of shareholding or interest in our Bank, as may be prescribed under the borrowing documentation; and

i) Any other event or circumstance which could have a material adverse effect on the lender.

6. ***Consequences of occurrence of events of default:*** In terms of our facility agreements and sanction letters, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

a) Terminate either whole or part of the facility;

b) Declare any or all amounts under the facility, either whole or in part, as immediately due and payable to the lender;

c) Suspend further access/ drawals by our Bank to the use, either in whole or in part, of the facility;

d) Exercise their right to appoint a receiver to recover the receivables for the loan;

e) Exercise their right to appoint a nominee director on the Board of our Bank; and

f) Accelerate repayments/recall of the loan.

7. ***Restrictive Covenants:*** The loans availed by our Bank contain certain restrictive covenants, including:

a) Change in capital structure of our Bank without the prior approval of the lender;

b) Change in management of our Bank without the prior approval of the lender;

c) Change in the constitutional documents of our Bank without the prior approval of the lender;

d) Undertaking or permitting any merger, de-merger, consolidation, reorganization, scheme of arrangement or compromise between our Bank and its creditors or shareholders or effecting any scheme of amalgamation or reconstruction including creation of any subsidiary or permitting any company to become a subsidiary of our Bank without the prior approval of the lender;

e) Declaration or payment of dividends, or authorising or making any distribution to the Shareholders pending repayment of the outstanding dues to lenders without the prior approval of the lender;

f) Change in accounting policy of our Bank without prior intimation of the lender;

g) Change in the general nature of business of our Bank; and

h) Making any equity investments in the primary or secondary markets, or derivative deals.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Bank.

For the purpose of the Offer, except as stated in "*Risk Factors – We have not complied with certain covenants under our financing agreements in the past. Any non-compliance with covenants under our financing agreements that are not waived may be declared to be an event of default and lead to, among other things, acceleration of repayment schedules, securitization of assets charged and suspension of further drawdowns, which could adversely affect our business, financial condition, results of operations and cash flows.*" Our Bank has obtained necessary consents from our lenders as required under the relevant loan documentations for undertaking activities relating to the Offer including consequent actions, such as change in our capital structure, change in the board composition, amendments to the Articles of Association of our Bank, etc.

We undertake securitization of certain portions of our loan portfolio. For details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 463.

Details of listed non-convertible debentures issued by the Bank

The following table sets forth the ISIN and scrip code of the non-convertible debentures issued by our Bank that are currently listed on BSE:

ISIN	Scrip code	Date of Listing	Status	Debenture holder	Amount raised (in ` million)	Outstanding amount as on December 22, 2023 (*in ₹ million*)	Interest Rate	Maturity	Tenor (in years)
INE953L08329*	953148	January 5, 2016	Active	CDC Emerging Markets Limited	3,300.00	750.00	13.80%	July 7, 2027	11.55
INE953L08295	958869	July 12, 2019	Active	IDFC First Bank Limited	1,750.00	1,750.00	14.50%	June 29, 2025	5.98
INE953L08303	958877	July 19, 2019	Active	IDFC First Bank Limited	500.00	500.00	13.15%	July 10, 2025	6.01
	Total				**5,550**	**3,000.00**			

* *As certified by JHS & Associates LLP, Chartered Accountants pursuant to the certificate dated January 24, 2024.*

* *The NCD was listed on the BSE Limited on January 5, 2016 and the ISIN INE953L08030 has been revised to INE953L08329 due to partial redemptions of the NCDs with the revised listing date being February 7, 2022.*

For further details on risk factors related to our indebtedness, refer "*Risk Factors – We have not complied with certain covenants under our financing agreements in the past. Any non-compliance with covenants under our financing agreements that are not waived may be declared to be an event of default and lead to, among other things, acceleration of repayment schedules, securitization of assets charged and suspension of further drawdowns, which could adversely affect our business, financial condition, results of operations and cash flows.*" on page 63.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) litigation involving claims related to direct and indirect taxes (disclosed in a consolidated manner); and (iv) other pending litigation as determined to be material as per the policy dated July 20, 2023, approved by the Board of Directors, in each case involving our Bank, its Promoter and Directors ("**Relevant Parties**").*

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation pursuant to the Board resolution dated July 20, 2023:

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions taken by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including any outstanding action and litigation involving claims related to direct and indirect taxes, would be considered 'material' if: (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1.00% of the profit after tax of the Bank for Fiscal 2023 as per the Restated Financial Statements (i.e. ₹25.60 million); or (ii) where monetary liability is not quantifiable, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Bank. Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoters in the last five financial years including any outstanding action.

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties (excluding statutory/ regulatory/ tax authorities), have not been considered as litigation until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial/ arbitral forum.

It is further clarified that our Bank has initiated recovery proceedings against several borrowers under the SARFAESI Act for recovery of amounts due from them. Given that the underlying loans have been declared as NPAs by the Bank and adequate provisions have been provided for in our Restated Financial Statements, disclosures in respect of such matters (including matters where the monetary amount of claim sought by the Bank is in excess of ₹25.60 million) have been made in a consolidated manner.

See also "Risk Factors - We are involved in certain legal proceedings, any adverse developments related to which could adversely affect our reputation, business, financial condition, results of operations and cash flows." on page 84.

Except as stated in this section, there are no outstanding material dues to creditors of our Bank. For this purpose, our Board has pursuant to the Board resolution dated January 20, 2024, considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of the Bank having monetary value exceeding 5% of the total dues owed to creditors of the Bank as on the date of the latest Restated Financial Statements of our Bank included in this Prospectus, shall be considered as 'material'. Accordingly, as on September 30, 2023, any outstanding dues exceeding ₹6.62 million been considered as material outstanding dues for the purposes of disclosure in this section. For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with the Bank regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder, as has been relied upon by the Joint Statutory Auditors of the Bank.

Litigation involving our Bank

Litigation against our Bank

Civil Litigation

As of the date of this Prospectus, there is one material outstanding civil litigation against our Bank which involves a monetary liability of ₹25.60 million or more, or wherein monetary liability is not quantifiable, whose outcome may have a material bearing on the business, operations, performance, prospects or reputation of the Bank.

1. Our Bank had assigned a pool of account for ₹1,500 million ("**Facility**") to Bank of Baroda (erstwhile Vijaya Bank) (the "**Assignee**") on March 31, 2016, and transferred the identified pool of account ("**Assets**") by way of direct assignment of receivables of all principal and securities. Further, Assignee has appointed our Bank as a Servicer to collect the instalment amounts of the assigned pool and deposit the same in the payout account ("**Assignment Transaction**"). A legal notice dated December 23, 2020 ("**Legal Notice**") was issued by the Assignee alleging, among other things, irregular payment and default in payment of outstanding amounts as per the Assignment Transaction, amounting to classification of the account as non-performing asset, and seeking payment of outstanding amount of ₹122.64 million along with interest due. Our Bank had responded to the Legal Notice on January 13, 2021 refuting the claims of the Bank of Baroda, stating that the obligations under the Assignment Agreement cannot be construed to be on par with a credit facility where our Bank is identified as a borrower. The Assignee, through its letter dated January

15, 2021, proposed for appointment of a sole arbitrator at the Arbitration and Conciliation Centre, Bengaluru ("**Bengaluru Centre**"). Our Bank, through its letter dated January 22, 2021, has consented for adjudication of this dispute by the sole arbitrator at the Bengaluru Centre. The High Court of Karnataka vide its order dated July 16, 2021 was pleased to allow the petition and appointed Justice N. Kumar as sole arbitrator. The Assignee has filed its statement of claim before the Arbitrator and the same has been received by our Bank on January 3, 2022. Our Bank has filed its reply to the statement of claim on March 31, 2022. Following the lapse of the sole arbitrator's mandate due to passage of time, the arbitral tribunal adjourned the matter without a specific date *(sine die)* until the parties file a joint memo extending the mandate of the arbitral tribunal. Thereafter, both the parties have filed a joint application before the Additional City Civil and Sessions Judge, Bengaluru ("**Commercial Court**") on November 15, 2023 for extending the mandate of the Arbitral tribunal in this matter. The Commercial Court has dismissed the joint application filed, finding it non-maintainable. The matter is currently pending.

Criminal Litigation

1. An FIR no. 107 dated March 2, 2020 was filed against five employees of our Bank (collectively, the "**Accused**") at the Garfa police station under sections 114, 341, and 506 of the IPC on the grounds that the Accused have conjointly aided and abetted with each other to criminally intimidate the complainant and wrongfully restrained his minor son within the premises of the house were subsequently arrested by the Kolkata police. The Additional Chief Judicial Magistrate, Alipore, granted bail to all the Accused. A counter FIR no. 108 dated March 2, 2020 was filed by the Accused under sections 120B, 323, 420, and 506 of the IPC against Bijan Saha ("**Loanee**") and Sujan Saha on the grounds, among other things, criminal intimidation and physical assault on our Bank executives when they tried to contact the Loanee at his residential address in respect of the default of loan instalments. The matter is currently pending.

2. An FIR no. 1342 dated October 11, 2019 was filed against Sandeep Patel, our Bank's employee, ("**Accused**") at the Narendrapur police station under sections 34, 323, 341, 354A, 354B, 379, and 506 of the IPC on the grounds that the Accused along with some third parties wrongfully restrained the complainant and her husband in respect of the unpaid loan instalments. The complaint further alleges use of criminal force and attempt to rape the complainant, and wrongful confinement of the complainant's husband and her at the branch office of our Bank. Subsequent to the FIR, the complainant filed an application under section 156(3) of the Code of Criminal Procedure, 1973 before the Honourable Court of Additional Chief Judicial Magistrate-I at Baruipur, West Bengal for taking cognizance of this matter. Our Bank's employee has been granted an interim bail in this matter. The matter is currently pending.

3. An FIR no. 269 dated November 1, 2017 was filed against our Bank's employee ("**Accused**") along with some third parties at the Chitpur police station, Kolkata, under sections 114, 323 and 341 of the IPC. The complainant has alleged that the Accused assaulted her for repayment of loan instalments. The police framed charge sheet number 239/17 against the Accused under sections 114, 323 and 341 of the IPC. The Accused surrendered before the Additional Chief Judicial Magistrate Court, Sealdah and was subsequently released on bail. The matter is currently pending.

4. An FIR no. 199 dated October 7, 2020 was filed against one employee of our Bank and agents of two other banks (collectively the "**Accused**") at the Radhanagari police station, Kolhapur, under sections 116, 355, 467 and 504 of the IPC on the grounds that the Accused have been harassing the complainant's husband over phone calls for repayment of loan instalments. The complainant has also alleged that despite the RBI's grant of moratorium period, the Accused repeatedly pressurized the complainant and her husband to repay loan instalments. The complainant disclosed that she had attempted suicide owing to the intimidation and harassment induced by the Accused. The matter is pending and investigation is under process.

5. An FIR no. I/120/2018 dated July 12, 2018 was filed against one employee of our Bank ("**Accused**") at the Amraiwadi police station, Ahmedabad, under sections 114, 294, 452, 506(1) of the IPC read with section 3(1)(r) of the Scheduled Caste and Scheduled Tribe (Prevention of Atrocities) Act, 1989, on the grounds that the Accused along with three other third-parties threatened the complainant and his son, and used derogatory terms on the complainant's caste. The complainant stated in his FIR that the Accused coerced them for repayment of loan instalments availed by his daughter. The matter is pending, and investigation is under process.

6. Several FIRs were filed against two of our Bank's employees along with several third parties (collectively the "**Accused**") at the Jujumura, Sadar, and Dhama police stations of Sambalpur district, under sections, among other things, 34 and 420 of the IPC on the grounds that the Accused conspired and cheated the complainants. The matter involves group loan customers who were convinced by one Mrs. Kainta Matari ("**Maitari**") and her son Jaykrushna Matari for availing group loans from various financers including our Bank who had previously approached the residents of Rasanpur village, Sambalpur for providing group loans. Maitari was the point of contact for all the financers to collect monthly instalments. Eventually, Maitari and her son absconded, and all the financers started approaching the customers individually. Resultantly, several FIRs were filed by customers. The matter is pending before the Sub-Divisional Judicial Magistrate's Court in Sambalpur.

7. An FIR no. 413 dated November 17, 2020 was filed against our Managing Director and Chief Executive Officer, and two other employees of the Bank at the Barh Police Station, Barh, Patna, under sections 467, 468, 420, 406, and 34 of the IPC. Jairam Singh ("**Complainant**") leased out his property ("**Premises**") to our Bank for a banking branch and made renovations as per our Bank's requirement. The Complainant has alleged that our Bank has vacated the Premises and not refunded the expenses incurred by the Complainant, towards structural changes and renovation of the Premises. The Complainant and our Bank have entered into a settlement agreement on December 17, 2020 and submitted the same before the Police for filing of closure report before the Magistrate Court. The matter is currently pending.

8. An FIR no. 0041 dated January 20, 2021 was filed against a Bank employee Sanjay Baijram Rathor ("**Accused**") at the Ingoriya police station under sections 323, 294 and 506 of the IPC, on the grounds that the Accused had used abusive language against and beaten Bhupendra Singh ("**Complainant**") along with threatening to kill the Complainant's mother. The charge sheet in this matter was filed on January 27, 2021. The matter is currently pending.

9. An FIR no. 0101 dated February 27, 2022 was filed against our Bank's employee Kaushik Bag ("**Accused**") at the Kolshewadi police station, Kalyan, Mumbai under sections 342, 506 and 34 of the IPC, on the grounds that the Accused had wrongfully confined and threatened Brajesh Hansraj Gupta when he visited the office premises of our Bank for paying EMI on behalf of his brother. The charge sheet in this matter was filed on June 2, 2022. The matter is currently pending.

10. A criminal revision application number 16/23 was filed by Apu Electric, Apurba Golder and Soma Golder ("**Petitioners**") before the district and session judge, Barasat for the stay of the order dated November 28, 2022 under section 14 of the SARFAESI Act, for taking physical possession of the Petitioners' immovable property by our Bank. The petitioner stated that the Bank suppressed the fact that securitisation application No. 272/2020 was pending adjudication before the Debt Recovery Tribunal, Kolkata. The district judge vide an order dated January 24, 2023 directed the stay of order passed by the chief judicial magistrate till the next date. The matter is currently pending.

11. An FIR no. 183 dated November 27, 2022 was filed against our two of our Bank's employees Dipayan Chakraborty and Debangan Banik ("**Accused**") at the Chitpur police station, Kolkata, under sections 34, 506, 509 of the IPC on the grounds that the Accused had threatened the Nabakumar Das ("**Complainant**") and her husband and quarrelled for the issue of repayment of loan amount. The Complainant further claimed that the Accused passed lewd comments with the intention to outrage the modesty of the Complainant. The additional chief judicial magistrate, Sealdah has recorded the statement of the victim under Sec. 164 of the Criminal Procedure Code. 1973. The matter is currently pending.

12. An FIR no. 0123 dated February 27, 2023 was filed against three of our Bank's employees Karan, Pankaj and Dharmendra ("**Accused**") at the Dwarkapuri police station, Indore, under section 154 of the Criminal Procedure Code on the grounds that the Accused had collectively threatened and assaulted Shekhar Verma ("**Complainant**") for repayment of an instalment of a loan taken by him from our Bank. Subsequent to this, one of the Accused filed a cross non-cognizable report against the Complainant under section 504 and 323 of the IPC for abusing and assaulting the Accused. The matter is currently pending.

13. An FIR no. 90 dated January 29, 2022 was registered against more than twenty employees of our Bank ("**Accused**") at the Titagarh police station, under sections 448, 323, 354, 509, 120B and 34 of the IPC on the grounds that the Accused had assaulted and threatened Shipra Banik and her daughter and granddaughter for non-repayment of a loan instalment. The matter is currently pending.

14. An FIR no. 532/22 dated August 31, 2022 was registered against two of our Bank's employees Aminur Islam Mallick and Chayan Ghosh ("**Accused**") at the Memari, Purba Bardhaman police station, under sections 447, 323, 326, 354, 504, 506, 34 of the IPC on the grounds that the Accused had collectively assaulted Gouri Halder ("**Complainant**") and her family members. The Bank has filed a counter complaint and FIR against the Complainant. The matter is currently pending.

15. An FIR no. 245/23 dated May 28, 2023 was registered by Ms. Sabina Khatun ("**Customer**") before Deganga police station against one of our employees, Kudiram Debnath ("**Accused**") under sections 447, 323, 354 and 506 of the IPC on the grounds that the Accused abused and assaulted the Complainant. The matter is currently pending.

16. An FIR no. 339 dated March 24, 2023 was filed against five of our Bank's employees (collectively "**Accused**") at the Baruipur police station, Kolkata under sections 341, 323, 354, 506, 509 and 34 of the IPC, on the grounds that the Accused had collectively assaulted the complainant and by slapping and manhandling her in respect of the repayment of loan instalment. This is a counter complaint filed by the complainant. The matter is currently pending.

17. An FIR no. 0827 dated December 22, 2022 was filed against branch manager and chief branch manager of our Bank ("**Accused**") at the Sihani Gate police station, Ghaziabad, under sections 34, 120B, 323, 403, 406, 418, 420, 424, 504 and 506 of the IPC on the grounds that our Bank had auctioned the gold ornaments that were pledged with our Bank by the complainant, without informing the complainant of the same and for assaulting and threatening to kill the complainant. A criminal miscellaneous writ petition no. 1171 of 2023 ("**Petition**") was filed before the Allahabad

High Court by our Bank praying that the FIR be quashed. The Court pursuant to its order dated January 1, 2023 disposed the Petition. The matter is currently pending.

18. An FIR no. 295 dated May 19, 2018, was filed against one employee of our Bank ("**Accused**") at the Goregaon police station, Mumbai, under sections 354 and 509 of the IPC, on the grounds that the Accused had assaulted the complainant and made attempts to outrage her modesty. The incident took place when the Accused visited the residential premises of the complainant's mother, for collection of loan instalments, where the complainant had asked him about the sanction of another loan for herself. The charge sheet in this matter was filed on August 2, 2018. The matter is currently pending.

19. A criminal complaint case number 15199/2022 was filed by Mr. Sanjeev Kumar ("**Complainant**"), against our Bank, Mr. Ajay Kanwal (the Managing Director and CEO of our Bank) and six other employees of the Bank (collectively, "**Accused**"), before the court of Chief Judicial Magistrate, Patna under sections 420, 467, 468 and 120(B) of the IPC and section 138 of the Negotiable Instruments Act, 1881 on the grounds of non-payment of demand drafts amount for the sanctioned loan issued to the complainant by the Bank. The Judicial Magistrate, 1st Class court issued summons dated August 25, 2023 to the accused to appear before the Court on September 20, 2023. The Complainant also filed a criminal revision petition number 703/2023 before the Court of District and Sessions Judge, Patna. Thereafter, our Bank has filed a criminal revision petition number 727/2023 dated October 17, 2023 in District and Sessions Court of Patna. The matter is currently pending.

Actions Taken by Regulatory and Statutory Authorities

1. The Assistant Labour Commissioner, Jabalpur ("**Authority**") had conducted an inspection of our Jabalpur branch on March 27, 2019 and had observed non-compliance and violation of the Minimum Wages Act, 1948 towards, among other things, maintenance of wage register, punishment register, inspection book, annual return form III, and form X containing details of regional inspector, address, working hours etc (collectively "**Non-Compliance**"). Pursuant to the observation of Non-Compliance, the Deputy Labour Commissioner, Jabalpur Division had issued a show cause notice to our Bank dated May 13, 2019 ("**SCN**"). Our Bank had responded to the SCN on April 18, 2019 ("**Response**"). The Authority, being unsatisfied by our Bank's Response, had issued another notice dated May 22, 2019 informing the institution of a prosecution case before the court of Chief Judicial Magistrate, Jabalpur ("**Court**") on June 6, 2019. However, our Bank has not received any summons from the Court till date. The matter is currently pending.

Litigation by our Bank

Civil Litigation

1. Khushi Ram and Son Foods Private Limited ("**Defendant Company**") was sanctioned a loan of ₹46.50 million (the "**Loan**") by our Bank through a sanction letter dated May 31, 2019. Additionally, our Bank had sanctioned an additional financial assistance of ₹5.00 million, ₹3.90 million and ₹8.90 million to the Defendant Company under emergency credit line guarantee scheme through a sanction letter dated July 29, 2020, September 29, 2020 and April 17, 2021, respectively. Thereafter, the Defendant Company had defaulted on the principal and the interest due on the Loan. The Bank has filed an application dated October 15, 2022 against the Defendant Company under the Recovery Tribunal - III at Chandigarh seeking recovery of a sum of ₹73.83 million from the Defendant Company for their default in payment of the loans. The matter is currently pending.

2. Our Bank has assigned a pool of receivables for a valuable consideration of ₹1,000.00 million along with interest payable ("**Facility**") to Bank of Maharashtra ("**BoM**") (the "**Assignee**") on December 30, 2015. Further, the Assignee has appointed our Bank as a servicer to collect the instalment amounts of the assigned pool and deposit the same in the payout account ("**Assignment Transaction**"). Due to difficulties in recoveries from a certain pool of small batch loans, our Bank also communicated a settlement mechanism to BoM to accelerate repayment. Despite such communication, BoM made representations via letters dated April 20, 2021, stating that there were no disclosures in the draft red herring prospectus dated March 31, 2021, relating to the Assignment Transaction, or the alleged breach thereof. Our Bank issued a legal notice dated July 1, 2021 ("**Notice**") denying BoM's allegations which include, among other things, non-submission of monthly report of transactions, failure to make arrangements for field visits, failure to submit CA certificate and failure of the one time settlement scheme as suggested by the servicer. Through the Notice, our Bank had invoked arbitration proceedings in terms of deed of assignment and Servicing Agreement executed with the Assignee and proposed to appoint a senior advocate of Supreme Court as the sole arbitrator. In response, BoM has neither assented nor denied the appointment of such arbitrator. Any further attempt to reach a settlement was not entertained by BoM. Our Bank had filed an application before the High Court of Bombay for the appointment of the sole arbitrator and further stating that claims for an amount of ₹100.00 million along with interest for losses incurred are payable by BoM. In its order dated December 15, 2021, the High Court of Bombay has directed BoM and our bank to resolve the dispute amicably. The settlement is currently pending.

3. Our Bank had sanctioned and released a loan amount of ₹30 million (the "**Loan**") to Sond Cinema ("**Defendant Proprietorship**") through a sanction letter dated October 17, 2019. Further, our Bank had sanctioned an additional

financial assistance of ₹5.93 million under emergency credit line guarantee scheme, and ₹5.93 million to the Defendant Proprietorship. Thereafter, the Defendant Proprietorship had defaulted on the terms and conditions of the loan agreement and subsequent Credit Facility Agreements. Our Bank has filed an original application dated January 25, 2023 against the Defendant Proprietorship under the Recovery Tribunal - III at Chandigarh seeking recovery of a sum of ₹37.55 million from the Defendant Proprietorship for their failure to adhere to financial discipline with respect to the loans. The matter is currently pending.

Recovery proceedings under the SARFAESI Act

1. In addition to the matters above, our Bank is presently involved in 2,051 matters in relation to recovery of amounts under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("**SARFAESI Act**"). Our Bank has filed 2,051 applications for seeking directions to take physical possession of the secured asset under section 14 of the SARFAESI Act, before relevant courts across jurisdictions, to exercise the right over mortgaged property for recovery of amounts due from various borrowers of the Bank ("**Borrowers**"), whose accounts have been classified as non-performing assets, due to default in repayments. The total pecuniary value involved in such matters aggregates to ₹ 3,295.04 million, of which the monetary claims in 10 cases are above ₹25.60 million. Whereas there are 100 outstanding matters in appeal, before the Debt Recovery Tribunal of various jurisdictions, which are filed by the Borrowers under section 17 of the SARFAESI Act, contesting, among other things, the action of our Bank in claiming rights over the mortgaged property, seeking temporary and permanent injunction towards any coercive action by our Bank against the Borrowers. The total pecuniary value involved in such matters aggregates to ₹1,065.36 million, of which the monetary claim in seven cases is above ₹25.60 million. The matters are currently pending at various stages.

Criminal Litigation

1. There are 259 first information reports registered by our Bank under Section 154 of the Code of Criminal Procedure, 1973 ("**CrPC**") and 16 cases are filed before the judicial magistrates under Section 156 of the CrPC against employees, third parties and customers. These cases, among other things, relate to instances of theft, fraud, criminal breach of trust, cheating, misappropriation and embezzlement of money, forgery, criminal conspiracy, etc. by the accused in these cases under the IPC. The matters are currently pending before various forums across the country.

2. There are 6,307 cases filed by our Bank pending before various forums across the country for alleged violation of Section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to our Bank for which cheques issued in favour of our Bank by our customers/debtors have been dishonoured. The total pecuniary value involved in all these matters aggregates to ₹4,757.78 million.

3. There are 5,022 police complaints have been filed by our Bank against its employees in relation to alleged violations arising in the ordinary course of business operations of the Bank, including, among others, cases filed under the IPC alleging criminal breach of trust, cheating, forgery, criminal conspiracy, misappropriation of money and involved in embezzlement of money etc.

Tax Litigation involving our Bank

Direct tax litigation

1. The Principal Commissioner of Income Tax, Bangalore-4, Bangalore, issued several notices of assessment to our Bank under the Income Tax Act, 1961 between March 17, 2016 and December 18, 2017, requiring details, amongst others, of certain expenses in the financial statements for the assessment year 2015-16. The Assessment Order ("**Order**") was passed by the Deputy Commissioner of Income Tax, Circle 4(1)(1) ("**Assessment Officer**") dated December 29, 2017. As per the Order, certain disallowances/additions were made by the Assessing Officer towards, among other things, (i) interest expenditure on exempted income; (ii) ad-hoc disallowances of certain expenses being rent, repairs and maintenance, printing and stationery and agent commission; and (iii) other business expenses being loss assets written off, electricity and water, cash management service charges, doubtful receivable written off, miscellaneous expenses, postage, telephone & courier charges and travelling & conveyance. The Assessment Officer made additions aggregating to ₹292.29 million and assessed the additional tax demand as ₹121.76 million. Our Bank had filed an appeal before the Commission of Income Tax (Appeals) - 4 on January 25, 2018, against the assessment order, which was dismissed on March 15, 2019. Subsequently, our Bank filed an appeal before the Income Tax Appellate Tribunal, Bangalore Bench ("**ITAT**") on June 4, 2019. The ITAT in its order dated February 28, 2020, partly allowed our Bank's claim and directed the assessment officer to re-examine our Bank's claim including, among other things, determination of correct values of investment, and TDS credit. The matter is currently pending.

2. The Office of Income Tax Officer, Ward 4(1)(1), Bangalore, issued a notice of assessment to our Bank under the Income Tax Act, 1961 on November 27, 2014, requiring details of our financial statements for the assessment year 2012-13. As per the assessment order dated March 26, 2015, certain disallowances/additions were made by the Assessing Officer towards, among other things, (i) collection cost; (ii) provision of expenses; (iii) grant received from

International Finance Corporation; (iv) interest income; (v) delay in remitting employee's contribution to the provident fund account; and (vi) delay in remitting contribution to employees state insurance scheme. The Assessing Officer made additions aggregating to ₹27.91 million and assessed an additional tax of ₹8.04 million on our Bank. Our Bank has filed an appeal dated April 24, 2015, before the Commissioner of Income Tax (Appeals) – 4. The matter is currently pending.

3. The Deputy Commission of Income Tax, Circle 4(1)(1), Bangalore, issued two notices of assessment to our Bank under the Income Tax Act, 1961 on May 25, 2015 and October 12, 2015 (collectively, the "**Notices**"), which required our Bank to furnish the details of certain items of the financial statements for the assessment year 2013-14. Our Bank had submitted a response to the Notices on February 15, 2016. As per the Assessment Order dated March 14, 2016 ("**Order**"), certain disallowances/additions were made by the Assessing Officer towards, among other things, (i) provision for expenses; (ii) interest income; (iii) expenses such as outstanding bonus, leave encashment, and interest accrued but not due; (iv) delay in remitting employees contribution to provident fund and employee state insurance funds; (v) certain expenditure categorised under miscellaneous expenses; (vi) interest expenditure on exempted income; and (vii) share capital and share premium pursuant to the issue of equity and compulsorily convertible preference shares. Consequently, additions aggregating to ₹60.78 million were made and a demand notice of ₹27.43 million was issued to our Bank. Against the Order, our Bank has filed an appeal dated April 20, 2016, before the Commissioner of Income Tax (Appeals) – 4. The matter is currently pending.

4. The Assistant Commissioner of Income Tax, Special Range – 4, Bangalore, had issued a show cause notice ("**Notice**") under the Income Tax Act, 1961 to our Bank on December 22, 2018 requiring our Bank to furnish details of expenses amounting to ₹97 million for the assessment year 2016-17. Our Bank submitted a response to the Notice on December 27, 2018. As per the assessment order dated December 29, 2018 ("**Order**"), the Assessment Officer made certain disallowances/additions towards, among other things, (i) certain expenses being technology expenses, business correspondent expenses, cash management service charges, legal & professional fee, travelling & conveyance, management service, miscellaneous expenses, repairs & maintenance and retainer charges; and (ii) interest expenditure on exempted income. Consequently, additions aggregating to ₹441.16 million were made and a demand notice dated December 29, 2018, was issued to our Bank. However, since our Bank had more prepaid taxes than tax payable, the amount to additional tax amounting to ₹152.64 million was adjusted from the due refund of ₹161.24 million. Against the Order, our Bank has filed an appeal dated January 25, 2019, before the Commissioner of Income Tax (Appeals) – 4. The matter is currently pending.

5. The Assistant Commissioner of Income Tax, Special Range – 4, Bangalore, had issued a show cause notice ("**Notice**") under the Income Tax Act, 1961 to our Bank on November 13, 2019 requiring our Bank to furnish details of expenses amounting to ₹261 million for assessment year 2017-18. Our Bank had submitted a response to the Notice on December 27, 2019. As per the assessment order dated December 28, 2019 ("**Order**"), the Assessment Officer made disallowance/additions towards, among other things, (i) expenses relating to business correspondent expenses, management services, legal & professional fee and technology expenses; and (ii) interest expenditure on exempted income. Consequently, additions aggregating to ₹261.46 million were made and a demand notice of ₹27.82 million was issued to our Bank. Our Bank has filed a rectification applicated dated January 3, 2020, along with an application for stay of demand dated January 23, 2020, before the Joint Commissioner of Income Tax, Special Range – 4. Further, our Bank has filed an appeal before the Commissioner of Income Tax (Appeals) on January 24, 2020. The matter is currently pending.

6. The Deputy Commissioner of Income Tax, Circle 4(1)(1), Bangalore ("**DCIT**"), had issued several notices (collectively, the "**Notices**") under the Income Tax Act, 1961 to our Bank between years 2015 and 2017, requiring our Bank to furnish details of certain items and expenditures incurred by our Bank during the assessment year 2014-15. Our Bank had made the final submissions to the Notices on December 28, 2017. As per the assessment order dated December 29, 2017 ("**Order**"), certain disallowance/additions were made by the Assessing Officer towards, among other things, (i) interest expenditure on exempted income; (ii) expenses being business process outsourcing expense, legal and professional expenses and business correspondent expenses & financial advisory; and (iii) delayed in filing the return of income. Consequently, additions aggregating to ₹65.64 million were made and a demand notice ₹36.22 million was issued to our Bank. Against the Order, our Bank had filed an appeal dated January 25, 2018, before the Commissioner of Income Tax (Appeals), Bangalore-4, Bangalore ("**CIT-A**"). The CIT-A in its order dated March 15, 2019 partly allowed our Bank's claim to consider the average value of investments for the purpose of tax-exempt income, at ₹1 million instead of ₹10 million. Thereafter, our Bank had filed an appeal dated June 4, 2019 before the Income Tax Appellate Tribunal, Bangalore Bench ("**ITAT**"). The ITAT in its order dated February 28, 2020, partly allowed our Bank's appeal. Further, the ITAT has set aside the order of the CIT-A and restored the matter to the Assessing Officer. The matter is currently pending.

7. The Assessment Unit of the Income Tax Department, Bangalore, has issued a notice dated October 13, 2022 under section 142(1) of the Income Tax Act, 1961, and a show cause notice dated December 9, 2022 (together, the "**Notices**") to our Bank for the assessment year 2021-2022. Our Bank has replied to the Notices by way of reply dated December

14, 2022. Vide the assessment order dated December 21, 2022 ("**Order**"), no adverse inference is drawn by the issues mentioned in the Notices, and the demand payable was assessed at ₹151.86 million. Our bank has filed an appeal to the Deputy Commissioner of Income Tax, Circle 4(3)(1), Bangalore dated January 17, 2023. The matter is currently pending.

8. The Assistant Commissioner of Income-tax (e-Verification), the Prescribed Income-tax Authority under section 143(2) of the Income Tax Act, 1961 had issued notice under Section 143(2) dated September 23, 2019 to our Bank, and the Additional/ Joint/ Deputy/ Assistant Commissioner of Income Tax/ Income-tax Officer, National e-Assessment Centre, Delhi had issued notice under section 142(1) Income Tax Act, 1961 dated November 19, 2020, requiring to furnish details to verify the return of income filed by our Bank for the assessment year 2018-2019. Thereafter, our Bank furnished the necessary details sought. The assessment order ("**Order**") dated September 27, 2021 was passed by the Additional/ Joint/ Deputy/ Assistant Commissioner of Income Tax/ Income-tax Officer, National Faceless Assessment Centre, Delhi ("**Assessment Officer**"). As per the Order, the case was selected for Complete Scrutiny assessment under the E-assessment Scheme, 2019 on the issues such as (i) Payment of dividend distribution tax, (ii) Investments/ advances/ loans, (iii) Refund claim, (iv) ICDS Compliance and Adjustment, (v) Unsecured Loans, (vi) Expenditure by way of penalty or fine for violation of any law, (vii) Business expenses. Consequently, a demand notice for ₹46.20 million was issued to our Bank. Our Bank has filed a rectification application dated October 21, 2021 to Deputy Commissioner of Income-tax, Circle 4(3)(1), Bangalore, seeking rectification of certain mistakes apparent from the record against the 143(3) order. Our Bank has also filed an appeal to the Joint Commissioner (Appeals) or the Commissioner of Income-tax (Appeals) on October 27, 2021. The matter is currently pending.

Indirect tax litigation

1. The Joint Commissioner (Corporate Circle), State Tax, Agra ("**Authority**") had issued a notice to our Bank dated November 18, 2023 in Form GST ASMT-10 for intimating discrepancies in the returns filed for the tax period 2018-2019. Further, in the absence of response from our Bank, the Authority issued a show cause notice ("**SCN**") dated December 20, 2023 to our Bank with a demand aggregating to ₹123.21 million including tax and penalty. Our Bank has submitted its reply to the SCN on January 19, 2024. The matter is currently pending.

2. The Deputy Commissioner of Revenue, Salt Lake Charge, Kolkata ("**Authority**") had issued a notice in Form GST ASMT-10 dated July 6, 2022 to our Bank detailing the discrepancies detected upon scrutinizing the returns filed for the tax period 2017-2018, involving short payment of taxes, excess claim of ITC. Further, the Authority issued an intimation notice in Form GST DRC-01A dated December 13, 2022 to our Bank. Thereafter, in the absence of response from our Bank, the Authority issued a show cause notice ("**SCN**") dated August 6, 2023, for liabilities aggregating to ₹31.70 million. The matter is currently pending.

3. The Deputy Commissioner (Assessment)-5, State Tax, Dehradun, Uttarakhand ("**Authority**") had issued a notice in Form DRC-01A dated September 9, 2023, which was followed by a show cause notice ("**SCN**") under section 73(1) of the CGST Act, 2017 dated September 29, 2023 intimating discrepancies in the returns filed, involving unreconciled ITC and difference in liability. Thereafter, our Bank submitted its reply to the SCN on December 11, 2023, following which the Authority has issued a notice dated December 22, 2023. Upon non-payment of the dues, an order under section 73 of the CGST/SGST Act, 2017 dated December 27, 2023 was passed by the Authority, demanding payment of ₹31.50 million by our Bank which includes tax, interest and penalty. The matter is currently pending.

Litigation involving our Promoters

As on the date of this Prospectus, there is no outstanding criminal litigation, civil litigation or actions taken by statutory or regulatory authorities involving our Promoters.

Litigation involving our Directors

Except as disclosed below, there is no outstanding criminal litigation, civil litigation or actions taken by statutory or regulatory authorities involving our Directors, as on the date of this Prospectus –

For outstanding litigation involving our Managing Director and Chief Executive Officer, please refer to "*Litigation involving our Bank – Litigation against our Bank – Criminal Litigation*" on page 511.

Litigation involving our Group Companies

As on the date of this Prospectus, there is no pending litigation involving our Group Companies which have a material impact on our Bank.

Tax Claims

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Bank, Directors and Promoters.

Nature of case	Number of cases	Amount involved (in ₹ million)
Bank		
Direct Tax	9	557.68
Indirect Tax	16	238.76
Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Outstanding dues to Creditors

As of the date of this Prospectus, the total number of creditors of our Bank was 139 and the total outstanding dues to these creditors by our Bank was ₹132.37 million. Our Bank owes an amount of ₹0.11 million to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 ("**MSMEs**").

Details of outstanding dues owed to MSMEs and other creditors as of September 30, 2023 is set out below:

Types of Creditors	Number of creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	2	0.11
Other creditors	137	132.26
Total Outstanding Dues	**139**	**132.37**

As per the materiality policy, creditors of our Bank to whom an amount exceeding 5% (i.e. ₹6.62 million) of the total dues owed to creditors as on September 30, 2023, were considered 'material' creditors. As of September 30, 2023, there are 2 material creditors to whom our Bank owes an aggregate amount of ₹105.87 million. The details pertaining to net outstanding dues towards our material creditors are available on the website of our Bank at https://www.janabank.com/about-us/disclosures/#outstanding-dues.

Material Developments

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 463, there have not arisen, since the date of the last Restated Financial Statements as disclosed in the Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months from the date of the filing of the Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

Set out below is an indicative list of approvals obtained by our Bank which are considered material and necessary for the purpose of undertaking our business activities and this Offer. In addition, certain of our key approvals may have expired or may expire in the ordinary course of business and our Bank has either already made an application to the appropriate authorities for renewal of such key approvals or is in the process of making such renewal applications.

A. Incorporation details

1. Certificate of incorporation dated July 24, 2006 issued to our Bank, under the name 'Janalakshmi Financial Services Private Limited' by the RoC.

2. Fresh certificate of incorporation dated August 10, 2015, issued by the RoC, consequent upon change of name of our Bank from 'Janalakshmi Financial Services Private Limited' to 'Janalakshmi Financial Services Limited', pursuant to conversion of our Bank from a private limited company to public limited company.

3. Fresh certificate of incorporation dated January 29, 2018 issued to our Bank, by the RoC, consequent upon change of name of our Bank from 'Janalakshmi Financial Services Limited' to 'Jana Small Finance Bank Limited'.

4. The CIN of our Bank is U65923KA2006PLC040028.

B. Approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Bank in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 524.

C. Key approvals in relation to our Bank

Regulatory approvals for our Bank

1. The RBI, pursuant to the RBI In-Principle Approval, granted Janalakshmi Financial Services Private Limited in-principle approval to establish an SFB under Section 22 of the Banking Regulation Act, by converting itself into a small finance bank, subject to completion of all the relevant formalities within the validity period of eighteen months from the date of approval, to the satisfaction of RBI.

2. The RBI, pursuant to the RBI Final Approval, issued to our Bank, license number 'MUM:134', to carry on the SFB business in terms of Section 22 of the Banking Regulation Act.

3. The RBI has, pursuant to a letter dated February 28, 2018, granted our Bank approval to participate in the Centralised Payment Systems viz. RTGS and NEFT.

4. The RBI has, pursuant to a letter dated June 12, 2018, granted our bank membership of RTGS System in the 'Type A' category and a RTGS Settlement Account in the name of our Bank has been opened at the banking department, Mumbai. The intra-day liquidity limit sanctioned to our Bank is ₹14,782.70 million.

5. The RBI has intimated the Bank of its inclusion in the second schedule to the RBI Act, vide its notification dated July 16, 2019, published in the Gazette of India dated July 27, 2019.

6. The RBI has, pursuant to a letter dated March 28, 2018, intimated us of the opening of our principal current account with the RBI in the name of our Bank.

7. The RBI has, pursuant to a letter dated April 18, 2018, intimated us of the opening of our subsidiary ledger account in the name of our Bank.

8. The RBI has, pursuant to a letter dated February 28, 2018, allotted primary IFSC JSFB0000001, to our Bank.

9. The RBI has permitted our Bank to open:

   a. 21 administrative offices/back offices in the districts of Bengaluru Urban, Dharwad, Chennai, Coimbatore, Mumbai, Mumbai Suburban, Pune, Nagpur Ahmedabad, Gandhinagar, Surat, Gurgaon, New Delhi, Chandigarh, Jaipur, Kolkata, Patna, Meerut, Varanasi, Bhopal pursuant to its letter dated June 30, 2017;

   b. Six administrative offices in the districts of Chennai, Lucknow, Gurgaon, Jaipur, and Raipur and eight back offices at districts including Mumbai, Bengaluru, Gandhinagar, Chandigarh, New Delhi, and Pune, pursuant to its letter dated March 21, 2018;

   c. 300 banking outlets consisting of 168 outlets in Tier 1 centres and 132 outlets in Tier 2 to Tier 6 centres including at least 75 outlets in URCs, pursuant to its letter dated March 21, 2018, in respect of the ABOEP for Financial Year 2018-19;

d. 55 banking outlets consisting of 15 semi-urban outlets, 20 urban outlets, and 20 metropolitan outlets, pursuant to its letter dated December 10, 2018;

e. 22 rural banking outlets, pursuant to its letter dated February 15, 2019;

f. 15 banking outlets consisting of 11 rural outlets, two urban outlets, and two metropolitan outlets respectively, pursuant to its letter dated April 25, 2019; and

g. 415 banking outlets consisting of 300 outlets in Tier 1 centres and 115 outlets in Tier 2 to Tier 6 centres including at least 103 outlets in URCs, pursuant to its letter dated July 12, 2019, in respect of the ABOEP for Financial Year 2019-20.

10. The RBI has, pursuant to letters dated January 29, 2019 and February 28, 2019, granted our Bank membership of NDS-OM and NDS-Call system, respectively.

11. The RBI through various letters has allotted the MICR code to 768 banking branches of our Bank as on the date of this Prospectus.

12. The RBI has, pursuant to a letter dated June 27, 2017, granted our Bank approval to commence and operate mobile banking services, with flexible channels for registration with customers.

13. The CERSAI has, pursuant to an email dated December 17, 2018, confirmed the registration of our Bank in the Central KYC registry.

14. The Foreign Exchange Department, RBI has, pursuant to certificate dated August 29, 2018, authorised our Bank as an Authorized Dealer – Category II.

15. The NPCI has, pursuant to an email dated March 20, 2019, granted our Bank access to the NACH platform.

16. The Deposit Insurance and Credit Guarantee Corporation has, pursuant to a letter dated April 2, 2018 granted our Bank registration as an insured bank in terms of the Deposit Insurance and Credit Guarantee Corporation Act, 1961.

17. The RBI has, pursuant to an email dated April 6, 2018, issued a three-digit Basic Statistical Return – BSR Code 218, to our Bank.

18. The IRDAI has, issued a certificate of registration to our Bank as a Corporate Agent (Composite) for the period from October 23, 2018 to October 22, 2021, which was further renewed by the certificate of renewal registration dated October 5, 2021 extending the validity period until October 22, 2024.

19. The NSDL has, pursuant to a letter dated December 16, 2013, granted our Bank registration to the National Pension System-Lite, and the Central Recordkeeping Agency.

20. Our Bank has obtained FATCA registration bearing no. Q4115W under the Foreign Account Tax Compliance Act, 2010.

21. The RBI has, pursuant to a letter dated July 23, 2018, issued a no-objection certificate to undertake the activity of distribution of the following products:

a. life insurance products including group insurance products, products under Pradhan Mantri Jeevan Jyoti Yojana, general insurance products suitable for customer segment, and products under Pradhan Mantri Suraksha Bima Yojana;

b. mutual funds suitable to customer segment where the choice of fund remains with the customer; and

c. pension products under National Pension Scheme and Atal Pension Yojana, along with other micro pension plans suitable to customer segment.

22. The RBI has, pursuant to an email dated June 25, 2018, allotted Depositor Education and Awareness Fund code 2160 to our Bank.

23. The Financial Intelligence Unit – India has, pursuant to an email dated May 14, 2018, granted our Bank registration as a reporting entity.

24. The UIDAI has, pursuant to a letter dated July 6, 2018, approved the appointment of our bank as an authentication user agency and e-KYC user agency to provide Aadhaar Enabled Services to our beneficiaries, clients and customers.

25. The NPCI, on July 4, 2018, has granted a certificate of completion to our Bank for the following scope with P2A & P2U 1.6 and to use the following features for our customers – IMPS (P2A).

26. The NPCI, on June 11, 2018, has granted a certificate of completion to our Bank for the following scope with RuPay Specification Ver 1.6.1.2 and authorizing us to use the following features for our customers ATM – ACQ + VAS Only (Incl LTS/TVS).

27. The CCIL has, pursuant to a letter dated April 1, 2019, granted our Bank membership to CCIL's securities segment for triparty repo trades as an NDS member.

28. The PFRDA has, pursuant to a letter dated November 16, 2018 and a certificate dated December 7, 2018, granted our Bank registration to act as a point of presence to transact in pension schemes and/or under National Pension System for the following activities:

    a. NPS pursuant to regulation 3(1)(i) of the PFRDA (Point of Presence) Regulations, 2018;

    b. NPS-Lite Swavalambam scheme pursuant to regulation 3(1)(iv) of the PFRDA (Point of Presence) Regulations, 2018; and

    c. Atal Pension Yojana pursuant to regulation 3(1)(v) of PFRDA (Point of Presence) Regulations, 2018.

29. The RBI pursuant to a letter dated June 20, 2018, has admitted our Bank as a member of Bankers' Clearing House at New Delhi for the purposes of participating in the cheque truncation system ("**CTS**") clearing at Bankers' Clearing House at New Delhi with effect from June 21, 2018.

30. The RBI pursuant to a letter dated July 2, 2018, informed us that our Bank has been admitted as a member of Western Grid Bankers' Clearing House.

31. The FIMMDA has, pursuant to an email dated December 12, 2018, approved our membership in the FIMMDA.

32. The Indian Banks' Association has, pursuant to a letter dated August 2, 2018, granted our Bank membership of the Indian Banks' Association with effect from August 2, 2018 as an 'Ordinary Member'.

33. The RBI has, pursuant to a letter dated July 3, 2018, informed us that our Bank has been admitted as a direct member of Bankers' Clearing House at Chennai, Southern Grid.

34. The RBI has, pursuant to a letter dated April 18, 2018, granted the INFINET membership to our Bank.

35. The CCIL has, pursuant to letters dated January 7, 2019 and April 1, 2019, granted our Bank memberships to the CCIL's Securities Segment and Collateralised Borrowing and Lending Obligation Segment, respectively.

Tax related approvals

Our Bank has obtained registrations under various central and state specific tax laws such as the Income Tax Act, 1961, goods and service tax acts, state specific service tax and profession tax acts. Our Bank has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

1. The permanent account number of our Bank is AABCJ7024M.

2. The tax deduction account numbers of our Bank are BLRJ02609F, BLRJ06990E, and BLRJ07125G.

3. The GST registration number of our Bank is 29AABCJ7024M2Z8, for the state of Karnataka.

Labour related approvals

Our Bank has obtained registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Contract Labour (Regulations and Abolition Act), 1970 and the relevant shops and establishment legislations. Our Bank has also received exemption from the ambit of Employee State Insurance Act, 1948 from the ESI Corporation.

D. Key approvals obtained for the material Branches of the Bank

Our Bank has obtained registrations in the normal course of business for its Banking branches across various states in India including trade licenses and licenses for location of business issued by relevant municipal authorities under applicable laws, shops and establishments registrations issued by various state labour departments under relevant state legislations and registration under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. Our Bank has obtained goods and services tax registrations with the relevant authorities for our Branches in the states of Assam, Bihar, Chandigarh, Chhattisgarh, Goa, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, New Delhi, Odisha, Puducherry, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh, Uttarakhand and West Bengal. Certain approvals may have lapsed in their normal course and our Bank has either made an application to the appropriate authorities for renewal of such registration or is in the process of making such applications.

Key approvals applied for but not received

Except as disclosed below, as on the date of this Prospectus, there are no key approvals which our Bank has applied for but not received:

a. Goods and services tax registration for the branch located in Nilanga, Maharashtra

Key approvals required, but not obtained or applied for

Nil

Intellectual property

Our Bank has obtained 37 trademark registrations including for our corporate logo ' ', under class 36 of the Trademark Act, 1999 which pertains to financial and monetary affairs. We have also made two applications for registration of trademarks with the Registrar of Trademarks. For details, see "*Our Business – Intellectual Property*" and "*Risk Factors – If we fail to successfully enforce our intellectual property rights or the agreement pursuant to which we have the non-exclusive license to use the trademarks " " and "JANA" is terminated, our business, results of operations and cash flows would be adversely affected*." on pages 309 and 86.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and pursuant to the resolution passed by our Board at its meeting held on January 20, 2024, group companies of our Bank shall include (i) the companies (other than the Promoters), with which our Bank has entered into related party transactions as disclosed in the Restated Financial Statements for the last three fiscals (and stub period, if any, in respect of which, Restated Financial Statements are included in this Prospectus); (ii) the companies forming part of the promoter group with whom our Bank has entered into one or more transactions during the last completed financial year and the most recent period included in the restated financial statements, if any, which individually or cumulatively exceeds 5% of the total revenue of our Bank for that financial year as per the Restated Financial Statements; or (iii) such other companies considered material by the Board.

In respect of (ii) above, the companies shall be considered as material by the Board if they (a) are companies forming part of the Promoter Group (other than the Promoters) with whom the Bank has entered into one or more transactions during the last completed financial year, which individually or cumulatively exceeds 5% of the total revenue of the Bank for that financial year as per the Restated Financial Statements; or (b) are such other companies as deemed material by the Board.

Accordingly, in terms of the policy adopted by our Board for determining group companies, our Board has identified the following companies as the group company of the Bank ("**Group Companies**").

1. Jana Urban Services For Transformation Private Limited;
2. Jana Urban Foundation; and
3. Jana Urban Space Foundation (India).

In accordance with the SEBI ICDR Regulations, financial information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, in relation to our Group Companies, extracted from their respective audited financial statements (as applicable) are available at the websites indicated below.

Details of our Group Companies

1. Jana Urban Services For Transformation Private Limited ("Jana Urban Services")

Jana Urban Services is a private limited company, incorporated on April 1, 2014 under the Companies Act, 2013. The registered office of Jana Urban Services is located at No. 19/4, "Sair Bhag" Building, 4th Floor, Cunningham Road Bangalore, Karnataka 560 052, India.

Financial Information

The financial information based on the standalone audited financial statements of Jana Urban Services is available on the website of our Bank at https://www.janabank.com/about-us/disclosures/#financials. Our Bank is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. It is clarified that such details available on our website do not form a part of this Prospectus. Anyone placing reliance on any other source of information, would be doing so at their own risk.

2. Jana Urban Foundation ("JUF")

JUF was incorporated on June 29, 2006, as a Section 25 (now Section 8 company under the Companies Act, 2013) company limited by guarantee under the Companies Act, 1956. The registered office of JUF is located at No. 19/4, "Sair Bhag" Building, 4th Floor, Cunningham Road, Bangalore 560 052, Karnataka, India.

Financial Information

The financial information based on the standalone audited financial statements of JUF is available on the website of our Bank at https://www.janabank.com/about-us/disclosures/#financials. Our Bank is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. It is clarified that such details available on our website do not form a part of this Prospectus. Anyone placing reliance on any other source of information, would be doing so at their own risk.

3. Jana Urban Space Foundation (India) ("JUSFI")

JUSFI was initially incorporated as "Urban Space Foundation (India) Private Limited" on July 21, 2008, as a company limited by guarantee under the Companies Act, 1956. A fresh certificate of incorporation was granted to the company consequent to the change of name from "Urban Space Foundation (India) Private Limited" to "Jana Urban Space Foundation (India)". The registered office of JUSFI is located at No. 19/4, "Sair Bhagh" Building, 4th Floor, Cunningham Road Bangalore 560 052, Karnataka, India.

Financial Information

The financial information based on the standalone audited financial statements of JUSFI is available on the website of our Bank at https://www.janabank.com/about-us/disclosures/#financials. Our Bank is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. It is clarified that such details available on our website do not form a part of this Prospectus. Anyone placing reliance on any other source of information, would be doing so at their own risk.

Nature and extent of interest of our Group Companies

a. ***In the promotion of our Bank***

Except for JUF, which is a member of our Promoter Group, our Group Companies do not have any interest in the promotion of our Bank.

b. ***In the properties acquired by our Bank or proposed to be acquired by our Bank in the preceding three years before filing this Prospectus***

Our Group Companies are not interested in the properties acquired by our Bank in the three years preceding the filing of this Prospectus, or that are proposed to be acquired by our Bank as on the date of this Prospectus.

c. ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Companies are not interested in any transactions by the Bank for the acquisition of land, construction of building or supply of machinery.

Common Pursuits between our Group Companies and our Bank

As of the date of this Prospectus, there are no common pursuits between our Group Companies and our Bank.

Related Business Transactions within the Group and significance on the financial performance of our Bank

Except as disclosed in "*Financial Statements – Annexure 23 – Note 17 - Related Party Disclosures*" on page 452, there are no other related business transactions between the Group Companies and our Bank.

Business interest of our Group Companies in our Bank

Except as disclosed in "*Financial Statements – Annexure 23 – Note 17 - Related Party Disclosures*" on page 452, none of our Group Companies have any business interest in our Bank.

Litigation

Our Group Companies are not party to any pending litigation which will have material impact on our Bank.

Other confirmations

None of the securities of our Group Companies are listed on any stock exchange. None of our Group Companies have listed debt securities.

Further, our Group Company has not been refused listing by any stock exchange in India or abroad or any has failed to meet the listing requirements of any stock exchanges in India or abroad.

None of our Group Companies have undertaken any capital issues (public, rights or composite) in the three immediately preceding years.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board and Shareholders have, pursuant to the resolutions passed at their meetings held on July 20, 2023 and July 26, 2023, respectively, approved the Offer including the Fresh Issue up to ₹ 4,620 million. Our Board has taken on record the consent of the Selling Shareholders to severally and not jointly participate in the Offer for Sale pursuant to its resolution dated July 29, 2023. The Draft Red Herring Prospectus has been approved by our Board and IPO Committee pursuant to resolutions dated July 29, 2023 and July 30, 2023. Our Board of Directors has taken on record the revised Offer size on January 24, 2024. The Red Herring Prospectus has been approved by our Board pursuant to its resolution dated February 1, 2024. This Prospectus has been approved by our Board pursuant to its resolution dated February 9, 2024.

The Offer for Sale has been authorised by each of the Selling Shareholders as follows:

Sr. No.	Name of the Selling Shareholder	No. of Equity Shares offered in the Offer for Sale	Date of consent letter	Date of corporate authorisation/board resolution/ power of attorney, where applicable
1.	CRL	906,277# Equity Shares aggregating to ₹ 375.20# million	January 23, 2024	July 20, 2023
2.	ERL	929,656# Equity Shares aggregating to ₹ 384.88# million	January 23, 2024	July 20, 2023
3.	GAWA 2	141,285# Equity Shares aggregating to ₹ 58.49# million	January 23, 2024	June 26, 2023
4.	GP II Trust (Ajay Tandon)	413# Equity Shares aggregating to ₹ 0.17# million	January 23, 2024	-
5.	GP II Trust (Siva Shankar)	998# Equity Shares aggregating to ₹ 0.41# million	January 23, 2024	-
6.	Hero	630,000# Equity Shares aggregating to ₹ 260.82# million	January 23, 2024	July 10, 2023
Total		**2,608,629# Equity Shares**		

Subject to finalisation of Basis of Allotment

Our Bank has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated September 7, 2023 each.

Pursuant to the RBI in-principle approval and the RBI Final Approval, the Equity Shares of our Bank were mandatorily required to be listed within a period of three years from the date of commencement of business as a SFB, i.e. by March 27, 2021. Our Bank received a letter dated June 8, 2023 from the Department of Supervision, RBI, observing that the date of completion of the initial public offer by our Bank had passed and our Bank had failed to complete its listing. Our Bank responded to the RBI vide its letter dated July 4, 2023, informing the RBI that we had re-initiated the initial public offer process and are working towards completing the listing of our Equity Shares and meeting the licensing conditions. See "*Risk Factors – We have not been able to comply with certain provisions of the SFB Licensing Guidelines and the RBI Final Approval. As a result, the RBI may take regulatory action against us, which could include imposition of monetary penalties, revocation of the RBI Final Approval or such other penal actions and restrictions deemed fit by the RBI, the imposition of any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.*" on page 39.

Prohibition by SEBI or other Governmental Authorities

Our Bank, Promoters, Promoter Group, Directors, Selling Shareholders, the persons in control of the Bank and the persons in control of our Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters, Directors or persons in control of our Bank are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Other than Ramalingam Ramaseshan, who is a director on National Commodity Clearing Limited, a SEBI registered clearing corporation, none of our Directors are associated with securities market related business. There are no outstanding actions initiated against Ramalingam Ramaseshan by SEBI in the past five years.

Each of the Selling Shareholders, severally and not jointly, specifically confirms that they have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authority in India.

Our Bank, Promoters or Directors have not been declared as Wilful Defaulters or a Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Bank, Promoters or Directors have not been declared as fugitive economic offenders under the Fugitive Economic Offenders Act, 2018.

Other than options granted under the ESOP 2018 and ESOP 2017, the stock units under the RSU 2018 and the RSU 2017, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Prospectus.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Bank, Promoters, Promoter Group, and each of the Selling Shareholders, severally and not jointly, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Prospectus.

Eligibility for the Offer

Our Bank is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Bank has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Bank has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Bank has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- Our Bank has not changed its name in the last one year prior to the date of the Draft Red Herring Prospectus.

Statement showing the calculation of Restated Monetary Assets as a percentage of the Restated Net Tangible Assets, composition of Restated Net Tangible Assets, and the composition of Restated Monetary Assets in each of the three preceding full years:

(in ₹ million, except % data)

Description	As at March 31,		
	2023	2022	2021
Restated Net tangible assets (Note 1) *(₹ in million)*[1]	254,872.80	200,925.66	189,410.85
Restated Monetary assets (Note 2) *(₹ in million)*[2]	20,873.08	15,370.92	22,597.71
% of monetary assets to the net tangible assets	8.19%	7.65%	11.93%

(1) *Net tangible assets mean the sum of all net assets (net of provision on non performing advances, provision for tax, provision for depreciation on Fixed Assets and provision for diminution in the value of Investments) of the Bank excluding intangible assets as defined in Accounting Standard 26 (AS 26), issued by the Institute of Chartered Accountants of India. It also excludes deferred tax assets, prepaid expenses and standard asset provisions which are not netted off in the Restated Statement of Assets and Liabilities*

(2) *For the purpose of the above computation. "Monetary Assets" is computed by adding "Cash and Balances with Reserve Bank of India" and "Balances with Banks and Money at Call and Short Notice.*

Note 1: Composition of Restated Net Tangible Assets:

(₹ in million)

Description	As at March 31,		
	2023	2022	2021
Cash and Balances with Reserve Bank of India	10,109.39	15,300.19	21,252.87
Balances with banks and money at call and short notice	10,763.69	70.73	1,344.84
Investments	52,212.25	50,652.61	46,977.85
Advances	177,595.55	130,066.74	115,996.73
Fixed assets	1,277.50	1,716.47	2,120.58
Other assets	4,478.53	4,080.34	3,093.74
Sub-total (A) – Total Assets as per restated financial statements	**256,436.91**	**201,887.08**	**190,786.61**
Prepaid expenses	207.50	200.13	157.87
Standard Asset- General Provision	1,356.61	761.29	1,217.89
Sub-total (B) – Total of Intangible Assets	**1,564.11**	**961.42**	**1,375.76**
Total [(A)-(B)] Net Tangible Assets (1)	**254,872.80**	**200,925.66**	**189,410.85**

(1) Net Tangible Assets mean the sum of all net assets (net of provision on non performing advances, provision for tax, provision for depreciation on Fixed

Assets and provision for diminution in value of Investments) of the Bank excluding intangible assets as defined in Accounting Standard 26 (AS 26), issued by the Institute of Chartered Accountants of India. It also excludes deferred tax assets and standard asset provisions which are not netted off in the restated summary statement of assets and liabilities.

Note 2: Composition of Restated Monetary Assets:

(₹ in million)

Description	As at March 31,		
	2023	**2022**	**2021**
Cash in hand	499.00	778.17	616.26
Balances with Reserve Bank of India	9,610.39	14,522.02	20,636.61
Balances with bank	1,768.91	70.73	1,344.84
- on current account	41.36	48.94	147.19
- on deposit account (net of bank deposits not considered as cash and cash equivalent)	1,727.55	21.79	1,197.65
Money at call and short notice (Lending under reverse Repo)	8,994.78	-	-
Total Monetary Assets (1)	**20,873.08**	**15,370.92**	**22,597.71**

(1) *For the purpose of the above computation. "Monetary Assets" is computed by adding "Cash and Balances with Reserve Bank of India" and "Balances with Banks and Money at Call and Short Notice.*

Statement of average operating profits, as restated

(₹ in million)

Description	As at March 31		
	2023	**2022**	**2021**
Interest Income	30,750.10	27,265.35	24,977.28
Other Income	6,248.65	3,358.30	2,230.13
Total Income	**36,998.75**	**30,623.65**	**27,207.41**
Interest Expended	14,149.90	13,367.52	12,345.79
Operating Expenses	12,845.11	11,388.21	10,473.10
Provisions and contingencies	7,444.03	5,693.21	3,665.92
Total Expenses	**34,439.04**	**30,448.94**	**26,484.81**
Restated operating profit(1)	2,559.71	174.71	722.60
Average restated operating profit for Fiscals 2023, 2022 and 2021			1,152.34

(1) *For this certificate, restated operating profits is determined by deducting interest expended, operating expenses and Provisions and contingencies from Interest earned and other income reported by the Bank as per the Restated Profit and Loss Account for the respective years.*

Statement showing Restated Net Worth.

(₹ in million)

Description	As at March 31		
	2023	**2022**	**2021**
Paid-up share capital	3,249.79	2,014.12	2,007.27
Share premium account	50,975.22	48,845.49	48,189.12
Reserves and surplus (excluding revaluation reserve & employee stock options outstanding)	(36,454.32)	(39,014.03)	(39,188.74)
Net worth	17,770.69	11,845.58	11,007.65

For the purposes of the above, "net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, each as applicable for the Bank on a restated basis.

Our Bank confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Each Selling Shareholder severally and not jointly, specifically confirms that their respective portion of the Offered Shares are eligible for being offered for sale in the Offer in accordance with Regulation 8 of the SEBI ICDR Regulations.

Our Bank shall not make an Allotment if the number or prospective allottees is less than one thousand in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT

RED HERRING PROSPECTUS. THE BRLMs HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE BANK IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE BANK DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 30, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE BANK FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer were complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of this Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer clause of RBI

A license authorizing the Bank to carry on small finance bank business has been obtained from the Reserve Bank of India in terms of Section 22 of the Banking Regulation Act, 1949. It must be distinctly understood, however, that in issuing the license, the Reserve Bank of India does not undertake any responsibility for the financial soundness of the Bank or for the correctness of any of the statements made or opinion expressed in this connection.

Disclaimer from our Bank, our Directors and BRLMs

Our Bank our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Bank's website www.janabank.com, or the respective websites of our Promoters or any affiliate of our Bank would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, as amended by the Amendment Agreement to the Offer Agreement and the Underwriting Agreement entered into between the Underwriters, Selling Shareholders and the Bank.

All information was made available by our Bank, and the BRLMs to the Bidders and the public at large and no selective or additional information was made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders were required to confirm and were deemed to have represented to our Bank, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Bank, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Bank, the Selling Shareholders, our Promoters, their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Bank, the Selling Shareholders, the Promoters, and their respective directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer from the Selling Shareholders

The Selling Shareholders accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Bank's instance and anyone placing reliance on any other source of information, including our Bank's website www.janabank.com, or the respective websites of our Promoters, Promoter Group or any affiliate of our Bank would be doing so at his or her own risk. The Selling Shareholders, its directors, affiliates, associates, and officers accept no responsibility for any statements made in this Prospectus other than those specifically made or confirmed by the Selling Shareholders in relation to itself as a Selling Shareholder of the Offered Shares.

The Selling Shareholders shall not be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders were required to confirm and were deemed to have represented to the Selling Shareholders and its respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Each of the Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

Bidders eligible under Indian law to participate in the Offer

The Offer has been made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that are eligible under all applicable laws and regulations to purchase the Equity Shares.

In accordance with Section 12B of the Banking Regulation Act read with the Master Direction – RBI (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 and the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies issued by the RBI, no person (along with his relatives, associate enterprises or persons acting in concert with such person) can acquire or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. For further details, see "*Key Regulations and Policies*" and "*Offer Procedure*" on pages 313 and 550, respectively.

Bidders were advised to ensure that any Bid from them did not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

The Red Herring Prospectus did not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction, including in India, to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Invitations to subscribe to or purchase the Equity Shares offered in the Offer were made only pursuant to the Red Herring Prospectus if the recipient was in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient was outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and could not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer had not been and were not registered under the U.S. Securities Act or the securities laws of any state of the United States and could not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares were offered and sold only outside the United States in offshore transactions in reliance on Regulation S.

Each purchaser of the Equity Shares offered in the Offer who does not receive a copy of the preliminary offering memorandum shall be deemed to:

- Represent and warrant to our Bank, the Selling Shareholders and the Members of the Syndicate that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.

- Represent and warrant to our Bank, the Selling Shareholders and the Members of the Syndicate that it did not purchase the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).

- Represent and warrant to our Bank, the Selling Shareholders and the Members of the Syndicate that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.

- Represent and warrant to our Bank, the Selling Shareholders and the Members of the Syndicate that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Bank, the Selling Shareholders and the Members of the Syndicate that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Agree to indemnify and hold the Bank, the Selling Shareholders and the Members of the Syndicate harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Acknowledge that our Bank, the Selling Shareholders the Members of the Syndicate and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE Limited

As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Bank is set forth below:

"BSE Limited ("the Exchange") has given vide its letter dated September 07, 2023, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized the offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -

a) *warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*

b) *warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*

c) *take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.*

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever".

Disclaimer Clause of National Stock Exchange of India Limited

As required, a copy of the Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by NSE to our Bank is set forth below:

"*As required, a copy of the Draft Red Herring Prospectus has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2571 dated September 07, 2023, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission* *given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares issued through the Red Herring Prospectus and this Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. BSE is the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Bank shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Bank shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such period as may be prescribed by SEBI. If our Bank does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders in accordance with applicable law for the delayed period.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Joint Statutory Auditors, Legal Counsel to our Bank as to Indian Law, the BRLMs, the Registrar to the Offer, and the Bankers to the Bank in their respective capacities, Fitch Solutions, JHS & Associates LLP, Independent Chartered Accountant, have been obtained and such consents have not been withdrawn up to the time of delivery of this Prospectus. Further, consents in writing of the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s), Sponsor Bank to act in their respective capacities, have been obtained and have been filed along with a copy of the Red Herring Prospectus and this Prospectus with the RoC as required under the Companies Act, 2013.

Expert to the Offer

Except as stated below, our Bank has not obtained any expert opinions:

Our Bank has received written consent dated February 9, 2024 from our Joint Statutory Auditors namely, M M Nissim & Co LLP, Chartered Accountants and Brahmayya & Co. Chartered Accountants, respectively, holding a valid peer review certificate from the Institute of Chartered Accountants of India, to include their name as required under section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as our Joint Statutory Auditors, and in respect of their (i) examination report, dated January 20, 2024 on our Restated Financial Statements, and (ii) their report dated January 18, 2024 on the Statement of Special Tax Benefits included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

In addition, our Bank has received written consent dated January 22, 2024 from JHS & Associates LLP, Chartered Accountants, as the independent chartered accountants to include its name in this Prospectus, as required under Section 26(5) of the Companies Act, 2013, read with the SEBI ICDR Regulations, as an "expert" under Section 2(38) of the Companies Act, and other applicable provisions of the Companies Act in its capacity as an independent chartered accountant, in respect of the certificates issued, and such consent has not been withdrawn as on the date of this Prospectus.

Particulars regarding capital issues by our Bank and listed group companies, subsidiaries or associate entity during the last three years

Other than as disclosed in "*Capital Structure*" on page 130, our Bank has not made any capital issues during the three years preceding the date of this Prospectus. Certain NCDs of our Bank our listed. For details, please see "*Financial Indebtedness - Details of listed non-convertible debentures issued by the Bank*" on page 509.

None of our Group Companies are listed on any stock exchange.

As of the date of this Prospectus, our Bank does not have any subsidiary or associate entity.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Bank's incorporation.

Performance vis-à-vis objects – Public/ rights issue of our Bank

Our Bank has not undertaken any public issue in the five years preceding the date of this Prospectus. Further, except as disclosed in "*Capital Structure*" on page 130, our Bank has not undertaken any rights issue in the five years preceding the date of this Prospectus. The objects for which the rights issue was undertaken has been achieved without any delay or shortfall.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Bank

As on the date of this, our Promoters are not listed on any stock exchange. Our Bank does not have any subsidiaries.

Price information of past issues handled by the BRLMs

A. Axis Capital Limited

1. Price information of past issues handled by Axis Capital Limited:

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30^{th} calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90^{th} calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180^{th} calendar days from listing
1	EPACK Durable Limited[1]	6,400.53	230.00	30-Jan-24	225.00	-	-	-
2	Medi Assist Healthcare Services Limited[1]	11,715.77	418.00	23-Jan-24	465.00	-	-	-
3	Azad Engineering Limited[1]	7,400.00	524.00	28-Dec-23	710.00	+29.06%, [-2.36%]	-	-
4	Happy Forgings Limited[2]	10,085.93	850.00	27-Dec-23	1,000.00	+14.06%, [-1.40%]	-	-
5	Muthoot Microfin Limited*[1]	9,600.00	291.00	26-Dec-23	278.00	-20.77%, [-0.39%]	-	-
6	Inox India Limited[1]	14,593.23	660.00	21-Dec-23	933.15	+32.01%, [+1.15%]	-	-
7	Flair Writing Industries Limited[2]	5,930.00	304.00	01-Dec-23	501.00	+14.69%, [+7.22%]	-	-
8	ASK Automotive Limited[2]	8,339.13	282.00	15-Nov-23	303.30	+2.73%, [+7.66%]	-	-
9	JSW Infrastructure Limited[1]	28,000.00	119.00	03-Oct-23	143.00	+41.34%, [-2.93%]	+75.04%, [+10.27%]	-
10	SignatureGlobal (India) Limited[2]	7,300.00	385.00	27-Sep-23	444.00	+35.79%, [-4.36%]	+112.43%, [+8.28%]	-

Source: www.nseindia.com and www.bseindia.com

[1] *BSE as Designated Stock Exchange*

[2] *NSE as Designated Stock Exchange*

* *Offer Price was ₹ 277.00 per equity share to Eligible Employees*

Notes:

a. *Issue Size derived from Prospectus/final post issue reports, as available.*
b. *The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
c. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
d. *In case 30^{th}/90^{th}/180^{th} day is not a trading day, closing price of the previous trading day has been considered.*
e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. Summary statement of price information of past issues handled by Axis Capital Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30^{th} calendar days from listing date			Nos. of IPOs trading at premium on as on 30^{th} calendar days from listing date			Nos. of IPOs trading at discount as on 180^{th} calendar days from listing date			Nos. of IPOs trading at premium as on 180^{th} calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023-2024*	15	197,238.24	-	-	1	2	6	4	-	-	-	3	-	-
2022-2023	11	279,285.39	-	1	6	-	2	2	-	2	5	-	3	1
2021-2022	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7

* *The information is as on the date of the document*

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

B. ICICI Securities Limited

1. Price information of past issues handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Fedbank Financial Services Limited^^	10,922.64	140.00 (1)	30-Nov-23	138.00	-2.75% [+7.94%]	NA*	NA*
2.	India Shelter Finance Corporation Limited^^	12,000.00	493.00	20-Dec-23	620.00	+17.64% [+1.48%]	NA*	NA*
3.	DOMS Industries Limited^	12,000.00	790.00(2)	20-Dec-23	1,400.00	+80.59% [+0.97%]	NA*	NA*
4.	Inox India Limited^	14,593.23	660.00	21-Dec-23	933.15	+32.01% [+1.15%]	NA*	NA*
5.	Muthoot Microfin Limited^	9,600.00	291.00(3)	26-Dec-23	278.00	-20.77% [-0.39%]	NA*	NA*
6.	Credo Brands Marketing Limited^	5,497.79	280.00	27-Dec-23	282.00	-9.89% [-1.86%]	NA*	NA*
7.	Azad Engineering Limited^	7,400.00	524.00	28-Dec-23	710.00	+29.06% [-2.36%]	NA*	NA*
8.	Innova Captab Limited^^	5,700.00	448.00	29-Dec-23	452.10	+15.16% [-1.74%]	NA*	NA*
9.	Jyoti CNC Automation Limited^^	10,000.00	331.00(4)	16-Jan-24	370.00	NA*	NA*	NA*
10.	EPACK Durable Limited^	6,400.53	230.00	30-Jan-24	225.00	NA*	NA*	NA*

**Data not available*
^BSE as designated stock exchange
^^NSE as designated stock exchange
(1) Discount of Rs. 10 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 140.00 per equity share.
(2) Discount of Rs. 75 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 790.00 per equity share.
(3) Discount of Rs. 14 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 291.00 per equity share.
(4) Discount of Rs. 15 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 331.00 per equity share

C. Summary statement of price information of past issues handled by ICICI Securities Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount–- 30th calendar days from listing			No. of IPOs trading at premium–- 30th calendar days from listing			No. of IPOs trading at discount–- 180th calendar days from listing			No. of IPOs trading at premium–- 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24*	22	2,09,259.46	-	-	3	4	7	6	-	-	-	2	-	-
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount–- 30th calendar days from listing			No. of IPOs trading at premium–- 30th calendar days from listing			No. of IPOs trading at discount–- 180th calendar days from listing			No. of IPOs trading at premium–- 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	4	5

* *This data covers issues up to YTD*

Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day*

D. SBI Capital Markets Limited

1. Price information of past issues handled by SBI Capital Markets Limited

Sr. No.	Issue Name**	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Medi Assist Healthcare Services Ltd@	11,715.77	418.00	January 23, 2024	465.00	-	-	-
2	Jyoti CNC Automation Limited#	10,000.00	331.00	January 16, 2024	370.00	-	-	-
3	Azad Engineering Limited@	7,400.00	524.00	December 28, 2023	710.00	+29.06% [-2.36%]	-	-
4	Muthoot Microfin Limited(1) @	9,600.00	291.00	December 26, 2023	278.00	-20.77% [-0.39%]	-	-
5	Indian Renewable Energy Development Agency Limited#	21,502.12	32.00	November 29,2023	50.00	+204.06% [+8.37%]	-	-
6	Updater Services Ltd@	6,400.00	300.00	October 4, 2023	299.90	-13.72% [-1.76%]	+9.05% [+10.80%]	-
7	JSW Infrastructure Limited@	28,000.00	119.00	October 3, 2023	143.00	+41.34% [-2.93%]	+75.04% [+10.27%]	-
8	Yatra Online Limited@	7,750.00	142.00	September 28, 2023	130.00	-11.06% [-2.63%]	-0.21% [+8.90%]	-
9	Senco Gold Limited#	4,050.00	317.00	July 14, 2023	430.00	+25.28% [-0.70%]	+105.32% [+1.26%]-	+130.13% [+10.12%]
10	Tamilnad Mercantile Bank Limited @	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	+2.14% [+4.34%]	-15.82% [-2.83%]

Source: www.nseindia.com and www.bseindia.com

Notes:

* *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days isa trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*

** *The information is as on the date of this document.*

* *The information for each of the financial years is based on issues listed during such financial year.*

@ The S&P BSE SENSEX index is considered as the Benchmark Index, BSE being the designated stock exchange
 # The Nifty 50 index is considered as the Benchmark Index, NSE being the designated stock exchange
1 Price for eligible employee was Rs 277.00 per equity share

2. Summary statement of price information of past issues handled by SBI Capital Markets Limited

Financial Year	Total no. of IPOs #	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium–- 30th calendar days from listing			No. of IPOs trading at discount–- 180th calendar days from listing			No. of IPOs trading at premium–- 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2023-24*	9	97,417.88	1	-	3	-	3	-	-	-	-	1	-	-
2022-23	3	2,28,668.02	-	1	2	-	-	-	-	1	1	-	1	-
2021-22	10	2,17,814.28	-	-	6	1	2	1	-	3	1	3	-	3

** The information is as on the date of this Offer Document.*
 # Date of Listing for the issue is used to determine which financial year that particular issue falls into

Track record of the Book Running Lead Managers

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as set forth in the table below:

S.No.	Name of the BRLM	Website
1.	Axis Capital Limited	www.axiscapital.co.in
2.	ICICI Securities Limited	www.icicisecurities.com
3.	SBI Capital Markets Limited	www.sbicaps.com

Stock Market Data of Equity Shares

This being an initial public offer of our Bank, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement, as amended by the Amendment Agreement to Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs with whom the Bid cum Application Form was submitted by the Anchor Investor.In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Bank, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of the SCSBs or Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Investors can contact our Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs or the Registrar to the Offer, in the manner provided below. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove. The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. For offer related grievances, investors may contact Book Running Lead Managers, details of which are given in "*General Information*" on page 121.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay. Further, in terms of SEBI circular no.

SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application was made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Bank, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of SEBI ICDR Regulations. In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 122.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Bank, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders can contact our Company Secretary and Chief Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Bank has not received investor complaints during the period of three years preceding the date of this Prospectus, hence no investor complaint in relation to our Bank is pending as on the date of filing of this Prospectus.

Our Group Companies are not listed on any stock exchange.

Disposal of Investor Grievances by our Bank

The Bank has obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 read with the SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and the SEBI circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Our Bank estimates that the average time required by our Bank or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Bank will seek to redress these complaints as expeditiously as possible.

Our Bank has also appointed Lakshmi R N, Company Secretary of our Bank, as the Compliance Officer for the Offer. For details, see "*General Information*" and "*Our Management*" on pages 121 and 345, respectively.

Our Bank has constituted a Stakeholders' Relationship Committee comprising of Subhash Chandra Khuntia, (*Chairman*), Ajay Kanwal, Ramalingam Ramaseshan and Krishnan Subramania Raman as members. For details, see "*Our Management*" on page 345.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares offered and Allotted pursuant to the Offer were subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Banking Regulation Act, the SFB Licensing Guidelines, the MoA, AoA, Listing Regulations, RBI Final Approval, RBI In-Principle Approval, the terms of the Red Herring Prospectus, this Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting its approval for the Offer.

The Offer

The Offer comprised a Fresh Issue and an Offer for Sale by the Selling Shareholders.

Expenses for the Offer shall be shared amongst our Bank and each of the Selling Shareholders in the manner specified in "*Objects of the Offer–- Offer Expenses*" on page 183.

Ranking of Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer, will be subject to the provisions of the Companies Act, 2013. The Equity Shares Allotted in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA and shall rank *pari passu* with the existing Equity Shares in all respects including dividends and other corporate benefits, if any, declared by our Bank after the date of Allotment. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 571.

Mode of Payment of Dividend

Our Bank shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the Listing Regulations and any other guidelines, policies or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Bank after the date of Allotment (pursuant to the transfer of Equity Shares in the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 370 and 571, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 10. The Floor Price is ₹ 393 per Equity Share and Cap Price is ₹ 414 per Equity Share. The Anchor Investor Offer Price is ₹ 414 per Equity Share and the Offer Price is ₹ 414 per Equity Share.

The Price Band and the minimum Bid Lot was decided in compliance with SEBI ICDR Regulations, and were advertised, two Working Days prior to the Bid/ Offer Opening Date, in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Vishwavani, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation and was made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, was pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price was determined in compliance with SEBI ICDR Regulations, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Bank shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;

- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company (being a small finance bank) under the Companies Act, Banking Regulation Act, the Listing Regulations, MoA and the Articles of Association of our Bank and other applicable laws.

For a detailed description of the main provisions of the Articles of Association of our Bank relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 571.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations and the Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, two agreements have been entered into amongst our Bank, the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated October 31, 2013 amongst our Bank, NSDL and Registrar to the Offer.
- Tripartite agreement dated October 10, 2013 amongst our Bank, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of 36 Equity Shares. For the method of Basis of Allotment, see "*Offer Procedure*" on page 550.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they are deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Period of operation of subscription list

See "*– Bid/ Offer Programme*" on page 541.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Bank.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer was made only in dematerialized mode, there is no need to make a separate nomination with our Bank. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

BID/OFFER OPENED ON	Wednesday, February 7, 2024
BID/OFFER CLOSED ON	Friday, February 9, 2024

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Opening Date	Wednesday, February 7, 2024
Bid/Offer Closing Date	Friday, February 9, 2024
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, February 12, 2024
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about Tuesday, February 13, 2024
Credit of Equity Shares to demat accounts of Allottees	On or about Tuesday, February 13, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Wednesday, February 14, 2024

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date. On which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding twoWorking Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, in addition to the compensation paid by the SCSB responsible for causing delay, from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 shall be deemed to be incorporated in the agreements to be entered into by and between the Bank and the relevant intermediaries, to the extent applicable.*

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Bank, the Selling Shareholders or the BRLMs.

Whilst our Bank shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days of the Bid/Offer Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly, confirm that they shall extend such reasonable support and co-operation required by our Bank and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or within such other period as may be prescribed by SEBI.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings ("**IPO**"). The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer was made under UPI Phase III on mandatory T+3 days listing basis, subject any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, our Bank shall forthwith refund the subscription amount received in case of non – receipt of minimum subscription or in case our Bank fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the

applicable laws. Each Selling Shareholder, severally and not jointly, has specifically confirmed that it shall extend such reasonable support and co-operation required by our Bank and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by SEBI.

The Registrar to the Offer submitted the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs unblocked such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis as per the format prescribed in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

To avoid duplication, the facility of re-initiation provided to Syndicate Member shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

For avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, will be rejected.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and Non-Institutional Investors	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and Non-Institutional Investors	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Investors categories	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIIs	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date

On the Bid/ Offer Closing Date, the Bids were required to be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion.

On Bid/Offer Closing Date, extension of time could have been granted by Stock Exchanges only for uploading Bids received by RIBs and Eligible Employees under the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs were rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 12:00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in the Red Herring Prospectus was IST. Bidders were cautioned that, in the event a large number of Bids having been received on the Bid/Offer Closing Date, some Bids could not get uploaded due to lack of sufficient time. Such Bids that could not be uploaded were not considered for allocation under the Offer. Bids and any revision in Bids would be accepted only during Working Days during the Bid/ Offer Period. Bidders are required to note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids would not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders would be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. The Designated Intermediaries modified select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges was taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Bank does not receive (i) the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; and (ii) subscription in the Offer equivalent to at least 10% post-Offer paid-up equity share capital of our Bank (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing; or trading permission is not obtained from the Stock Exchanges for the securities so offered pursuant to the Red Herring Prospectus and this Prospectus; or if the subscription level falls below the threshold under Rule 19(2)(b) of the SCRR mentioned above after the Bid/Offer Closing Date, our Bank shall forthwith refund the entire subscription amount received, in accordance with applicable law. If there is a delay beyond two days after our Bank becomes liable to pay the amount, our Bank and our Directors, who are officers in default, shall pay interest at the rate prescribed under applicable law, including the Companies Act, 2013 and the SEBI ICDR Regulations, the SEBI master circular bearing no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. The requirement for minimum subscription is not applicable for the Offer for Sale.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made first towards Equity Shares offered pursuant to the Fresh Issue, and only then, towards the Offered Shares.

The Selling Shareholders shall, severally and not jointly, be responsible to pay, or reimburse, as the case may be, any interest for delays in making refunds under the Companies Act or any other applicable law, only to the extent of its Offered Shares, provided that such Selling Shareholder shall not be responsible to pay such interest unless such delay has been caused solely by or is directly attributable to an act or omission of such Selling Shareholder.

Further, our Bank shall ensure that the number of Allottees shall not be less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

New Financial Instruments

Our Bank is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Bank, lock-in of the Promoters' Contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 130 and except as provided under the Banking Regulation Act and the rules and regulations made thereunder and the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares/debentures of our Bank and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 571.

In accordance with Section 12B of the Banking Regulation Act read with the Master Direction – RBI (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 and the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies issued by the RBI, no person (along with his relatives, associate enterprises or persons acting in concert with such person) can acquire or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. For further details, see "*Key Regulations and Policies*" and "*Offer Procedure*" on pages 313 and 550.

Withdrawal of the Offer

Our Bank and the Selling Shareholders, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer, in whole or in part thereof, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Bank would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of the UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Bank shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of the withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Bank shall apply for after Allotment, and (ii) filing of this Prospectus with the RoC. If our Bank and the Selling Shareholders, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Bank shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

Offer of 13,768,049#$ Equity Shares for cash at price of ₹414 per Equity Share (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 5,699.98# million comprising of a Fresh Issue of 11,159,420#$ Equity Shares aggregating to ₹4,620# million by our Bank and an Offer for Sale of 2,608,629# Equity Shares aggregating up to ₹1,079.98# million by the Selling Shareholders

Subject to finalisation of Basis of Allotment
$ *This includes 326,086 Equity Shares aggregating to ₹135.00 million issued to Eligible employees who submitted Bids in the Employee Reservation Portion*

The Offer constitutes 13.16% of the post-Offer paid-up equity share capital of our Bank. The Offer included a reservation of 326,086# Equity Shares, aggregating to ₹135.00# million, for subscription by Eligible Employees. The Employee Reservation Portion did not exceed 5% of our post-Offer paid-up equity share capital. The Offer less the Employee Reservation Portion is the Net Offer.
Subject to finalisation of Basis of Allotment

Our Bank, in consultation with the BRLMs undertook (i) a pre-IPO placement of 12,154,044 CCPS (which were subsequently converted into 401,149 Equity Shares) at an issue price of ₹ 10 each aggregating to ₹ 121.54 million and (ii) a pre-IPO placement of 2,439,607 Equity Shares at an issue price of ₹ 414 each (including a premium of ₹ 404 per Equity Share) aggregating to ₹ 1,009.99 million. The size of the Fresh Issue has been adjusted to ₹ 4,620.00 million.

Our Bank had intimated the subscribers to the Pre-IPO Placement that our Bank is contemplating the Offer and that there is no guarantee that our Bank may proceed with the Offer, or that the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges, and the investment is being done solely at their own risk.

Further, pursuant to the Pre-IPO Placement, our Bank has intimated the Stock Exchanges with the details of such Pre-IPO Placement and shall make a public announcement in one English national daily newspaper, one Hindi national daily newspaper and one Kannada daily newspaper (Kannada also being the regional language of Bengaluru, where our Registered and Corporate Office is located), each with wide circulation, respectively, in accordance with applicable laws.

The Offer was made through the Book Building Process.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation (2)	326,086 Equity Shares	6,720,980 Equity Shares	2,016,295 Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than 4,704,688 Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	The Employee Reservation Portion constitutes 0.31% of the post-Offer paid-up Equity Share capital of our Bank	Not more than 50% of the Net Offer was Allotted to QIBs. However, up to 5% of the Net QIB Portion (excluding Anchor Investor Portion) was made available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also eligible for allocation in the remaining Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion was made available for allocation to QIBs in the remaining Net QIB	Not less than 15% of the Net Offer or the Offer less allocation to QIB Bidders and RIBs was made available for allocation subject to the following (a) one third of such portion was reserved for allocation to Bidders with application size of more than ₹0.20 million up to ₹1.00 million; and (b) two third of such portion was reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category	Not less than 35% of the Net Offer or the Offer less allocation to QIBs and Non-Institutional Bidders

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
		Portion	of Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price	
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate#; , the value of allocation to an Eligible Employee did not exceed ₹0.20 million. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹0.20 million, subject to total Allotment to an Eligible Employee not exceeding ₹0.50 million	Proportionate as follows (excluding the Anchor Investor Portion): (a) 1,344,196 Equity Shares were made available for allocated on a proportionate basis to Mutual Funds only; and (b) 2,688,392 Equity Shares were Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. 60% of the QIB Portion Equity Shares were allocated on a discretionary basis to Anchor Investors of which one-third was made available for allocation to domestic Mutual Funds only, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price	The Equity Shares available for allocation to Bidders in the Non-Institutional Portion were subject to the following: (1) One-third of the Non-Institutional Portion was made available for allocation to Bidders with an application size more than ₹0.20 million up to ₹1.00 million; and (b) Two-third of the Non-Institutional Portion was made available for allocation to Bidders with an application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of these two sub-categories of Non-Institutional Portion may be allocated to the Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations The allotment of specified securities to each Non-Institutional Bidder was not less than ₹0.20 million, subject to availability of Equity Shares in the Non-Institutional Portion, and the remaining available Equity Shares, if any, were Allotted on a proportionate basis in	Allotment to each Retail Individual Bidder was not less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be on a proportionate, basis. For details, see "*Offer Procedure*" on page 550.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
			accordance with the SEBI ICDR Regulations.	
Minimum Bid	36 Equity Shares	Such number of Equity Shares and in multiples of 36 Equity Shares such that the Bid Amount exceeds ₹0.20 million	Such number of Equity Shares and in multiples of 36 Equity Shares such that the Bid Amount exceeds ₹0.20 million	36 Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of 36 Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion did not exceed ₹0.50 million	Such number of Equity Shares in multiples of 36 Equity Shares so that the Bid did not exceed the size of the Net Offer (excluding the Anchor Investor Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of 36 Equity Shares so that the Bid did not exceed the size of the Net Offer (excluding the QIB Portion), subject to applicable limits, applicable to each Bidder	Such number of Equity Shares in multiples of 36 Equity Shares so that the Bid Amount did not exceed ₹0.20 million
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	36 Equity Shares and in multiples of 36 Equity Shares thereafter			
Allotment Lot	36 Equity Shares and thereafter in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply(3) (4)	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts, and FPIs who are individuals, corporate bodies and family offices and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
		of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs in accordance with applicable laws.		
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount was payable by the Anchor Investors at the time of submission of their Bids(3) **In case of all other Bidders:** Full Bid Amount was blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism (for RIBs or individual investors bidding under the Non – Institutional Portion for an amount of more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form			
Mode of Bidding*	ASBA only (including the UPI Mechanism)	ASBA only (excluding the UPI Mechanism) except for Anchor Investors	ASBA only (including the UPI Mechanism for Bids up to ₹0.50 million)	ASBA only (including the UPI Mechanism)

* *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

\## *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹0.50 million. However, a Bid by an Eligible Employee in the Employee Reservation Portion was considered for allocation, in the first instance, for a Bid Amount of up to ₹0.20 million. An Eligible Employee Bidding in the Employee Reservation Portion could also Bid in the Net Offer and such Bids were not treated as multiple Bids subject to applicable limits. Eligible Employee could also apply under Retail Portion. However, Bids by Eligible Employees in the Employee Reservation Portion and in the Non-Institutional Portion were treated as multiple Bids, only if Eligible Employee has made an application of more than ₹2,00,000 in the Employee reservation portion. For details, please see "Terms of the Offer" on page 539.*

(1) *Our Bank, in consultation with the BRLMs, allocated up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price on a discretionary basis, in compliance with SEBI ICDR Regulations subject to there having been (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion was more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50.00 million per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof was permitted, subject to minimum allotment of ₹50.00 million per Anchor Investor. An Anchor Investor was required to make a minimum Bid of such number of Equity Shares, that the Bid Amount was at least ₹100.00 million. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. For details, see "Offer Structure" on page 545.*

(2) *Subject to valid Bids having been received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, was payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

(4) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder is required in the Bid cum Application Form and such first Bidder were deemed to have signed on behalf of the joint holders. The Bank reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

Any unsubscribed portion remaining in the Employee Reservation Portion was added to the Net Offer. Allotment to an Eligible Employee in the Employee Reservation Portion may not exceed ₹0.50 million in value.

In terms of the Banking Regulation Act read with Master Direction – RBI (Acquisition and Holding of Shares or Voting Rights in Banking Companies) Directions, 2023 and the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies issued by the RBI, no person either by himself or acting in concert with any other person can acquire, directly or indirectly, or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. Accordingly, it is the responsibility of each Bidder to seek RBI approval, if the Bids submitted by such Bidder for such number of Equity Shares as may result in the shareholding of a Bidder (along with his relatives, associate enterprises or persons acting in concert with such Bidder) ("**Other Persons**") aggregate to 5% or more of the post-Offer paid-up share capital of our Bank. It may be noted that in the event an approval from RBI is not obtained by any Bidder, it shall not be Allotted 5% or more of the post-Offer paid-up share capital of our Bank.

Our Bank, the Selling Shareholders, the BRLMs and the Registrar to the Offer will rely strictly and solely on the RBI approvals received from Bidders for making any Allotment of Equity Shares to such Bidders and to the Other Persons, if any, that results in such Bidder, either individually or on an aggregate basis with the Other Persons associated with such Bidder, holding Equity Shares equal to or in excess of 5% of the post-Offer paid-up share capital of our Bank thereafter, after considering their existing aggregate shareholding in our Bank, if any. Our Bank, the Registrar to the Offer and BRLMs will not be responsible for identifying the Other Persons associated with any Bidder, or for the consequences of any Bidder and the Other Persons holding Equity Shares, which together with their existing shareholding amount to 5% or more of the post-Offer paid-up share capital of our Bank pursuant to the Allotment made without a valid and subsisting RBI approval.

A clearly legible copy of the RBI approval in the name(s) of the Bidders together with the application submitted for obtaining such RBI approval must be submitted by the Bidders with the Bid cum Application Form as well as to the Registrar to the Offer at least two Working Days before the date for finalisation of the Basis of Allotment. Such RBI approval should clearly mention the name(s) of the entities which propose to Bid in the Offer, the aggregate shareholding of the Bidder and the Other Persons in the pre-Offer paid-up share capital of our Bank and the maximum permitted holding of Equity Shares by the Other Persons. All allotments to such Bidders and the Other Persons, shall be in accordance with and subject to the conditions contained in such RBI approval.

An 'associate enterprise' has the same meaning assigned to it in Explanation 1(a) to Section 12B of Banking Regulation Act, 1949. A 'person acting in concert" has the same meaning as stated in Explanation1(c) to Section 12B of Banking Regulation Act, 1949. A 'relative' has the same meaning as defined in Section 2(77) of the Companies Act, 2013 and rules made thereunder.

Bidders will be required to confirm and will be deemed to have represented to our Bank, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, and possess the requisite approvals, to acquire the Equity Shares.

OFFER PROCEDURE

All Bidders were required to read the General Information Document, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which was part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The Bidders should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders could refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/applicant; (v) issuance of CAN and allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications and electronic registration of Bids.

*SEBI through the UPI Circulars has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries from January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**") until June 30, 2019.*

*Subsequently, for applications by RIBs through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIBs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use the UPI Mechanism with existing timeline of T+6 days until further notice by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, ("**UPI Phase II**"). The final reduced timeline of T+3 days using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 ("**T+3 Press Release**").*

The Offer was undertaken pursuant to the processes and procedures under UPI Phase III, on mandatory T+3 listing basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Press Release. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular came into force for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Prospectus. The provisions of the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022, and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 are also deemed to form part of this Prospectus. Further, the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

Our Bank, each of the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy *of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders were advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and did not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.*

Further, our Bank, the Selling Shareholders and the members of the Syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

Book Building Procedure

The Offer was made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall was made available for allocation on a proportionate basis to QIBs, provided that our Bank, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer was made available for allocation to Non-Institutional Bidders out of which (a) one third of such portion was reserved for Non-Institutional Bidders with application size exceeding ₹0.20 million and up to ₹1.00 million; and (b) two third of such portion was reserved for Non-Institutional Bidders with Bid size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer was made available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price. Further, 326,086 Equity Shares, aggregating to ₹135.00 million were made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids having been received at or above the Offer Price, if any. The Employee Reservation Portion did not exceed 5% of our post -Offer paid-up equity share capital subject to valid Bids having been received at or above the Offer Price.

Investors were required to ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which did not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders Bidding through the UPI Mechanism), as applicable, were treated as incomplete and were rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer.

Phased implementation of UPI Mechanism

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide the T+3 Press Release. In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer was made under UPI Phase III of the UPI Circular on mandatory T+3 listing basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Press Release.

The processing fees for application made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time and such payment of processing fees to the SCSBs shall be made in compliance with circular prescribed by SEBI and applicable law. The Offer was made under UPI Phase III of the UPI Circular.

All SCSBs offering facility of making application in public issues also provided facility to make application using UPI. Our Bank has appointed ICICI Bank Limited and Axis Bank Limited as Sponsor Banks to act as conduits between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹0.50 million, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs were undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application was made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus were made available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form was also available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form was made available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) were required to mandatorily participate in the Offer only through the ASBA process. UPI Bidders shall Bid in the Offer through UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders bidding using the UPI Mechanism were required to provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that did not contain the UPI ID are liable to be rejected.

ASBA Bidders (including Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. UPI Bidders using the UPI Mechanism could also apply through the mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Bidders were required to ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders were required to ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable, at the time of submitting the Bid pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges were required to accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

The prescribed colour of the Bid cum Application Form for the various categories were as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees Bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the Abridged Prospectus were made available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors was made available at the offices of the BRLMs

(3) Bid cum Application Forms for Eligible Employees was made available at the Registered Office of the Bank

In case of ASBA Forms, the relevant Designated Intermediaries shall capture and upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges were required to share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders using the UPI Mechanism) Designated Intermediaries (other than SCSBs) submitted/delivered the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using the UPI Mechanism, the Stock Exchanges were required to share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Banks initiated request for blocking of funds through NPCI to UPI Bidders, who were required to accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank initiated requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/ Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders bidding using through the UPI Mechanism should accept UPI mandate requests for blocking of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time lapses. For ensuring timely information to investors, SCSBs were required to send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. The NPCI was required to maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Banks, NPCI or the bankers to an Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shared the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an Offer.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.

b. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.

c. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.

d. Exchanges shall display initial public offer demand details on its website and for UPI bids the demand shall include/

consider UPI bids only with latest status as RC 100 – Black Request Accepted by Investor/ Client, based on responses/ status received from the Sponsor Banks.

In terms of the Banking Regulation Act and the SFB Licensing Guidelines read with the Reserve Bank of India (acquisition and holding of shares or voting rights in banking companies) Directions, 2023 and guidelines thereunder, no person either by himself, or acting in concert with any other person can acquire, directly or indirectly, or hold 5% or more of the total paid-up share capital of our Bank, or be entitled to exercise 5% or more of the total voting rights of our Bank, without prior approval of the RBI. Accordingly, it is the responsibility of each Bidder to seek RBI approval, if the Bids submitted by such Bidder for such number of Equity Shares as may result in the shareholding of a Bidder (along with his relatives, associate enterprises or persons acting in concert with such Bidder) ("**Other Persons**") aggregate to 5% or more of the post-Offer paid-up share capital of our Bank. It may be noted that in the event an approval from the RBI is not obtained by any Bidder, it shall not be Allotted 5% or more of the post-Offer paid-up share capital of our Bank.

Our Bank, the BRLMs and the Registrar to the Offer will rely strictly and solely on the RBI approvals received from Bidders for making any Allotment of Equity Shares to such Bidders and to the Other Persons, if any, that results in such Bidder, either individually or on an aggregate basis with the Other Persons associated with such Bidder, holding Equity Shares equal to or in excess of 5% of the post-Offer paid-up share capital of our Bank thereafter, after considering their existing aggregate shareholding in our Bank, if any. Our Bank, the Registrar to the Offer and BRLMs will not be responsible for identifying the Other Persons associated with any Bidder, or for the consequences of any Bidder and the Other Persons holding Equity Shares, which together with their existing shareholding amount to 5% or more of the post-Offer paid-up share capital of our Bank pursuant to the Allotment made without a valid and subsisting RBI approval.

Accordingly, in case of Bids for such number of Equity Shares, as may result in the shareholding of a Bidder (along with his relatives, associate enterprises or persons acting in concert with such person) exceeding 5% or more of the total paid-up share capital of our Bank or entitles him to exercise 5% or more of the voting rights in our Bank, such Bidder was required to submit the approval obtained from the RBI with the Registrar to the Offer, at least one Working Day prior to the finalisation of the Basis of Allotment. In case of failure by such Bidder to submit the approval obtained from the RBI within the above time period, our Bank may Allot maximum number of Equity Shares, as adjusted for the Bid Lot (and in case of over-subscription in the Offer, after making applicable proportionate allocation for the Equity Shares Bid for), that will limit the aggregate shareholding of the Bidder (along with his relatives, associate enterprises or persons acting in concert with such person and including existing shareholding, if any) to less than 5% of the post-Offer paid-up Equity Share capital of our Bank.

A clearly legible copy of the RBI approval in the name(s) of the Bidders together with the application submitted for obtaining such RBI approval must be submitted by the Bidders with the Bid cum Application Form as well as to the Registrar to the Offer at any time prior to the date falling one day before the date for finalisation of the Basis of Allotment. Such RBI approval should clearly mention the name(s) of the entities which propose to Bid in the Offer, the aggregate shareholding of the Bidder and the Other Persons in the pre-Offer paid-up share capital of our Bank and the maximum permitted holding of Equity Shares by the Other Persons. All Allotments to such Bidders and the Other Persons, shall be in accordance with and subject to the conditions contained in such RBI approval.

Electronic registration of Bids

a) The Designated Intermediary could register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries could upload the Bids till such time as was permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus and this Prospectus.

c) Only Bids that were uploaded on the Stock Exchanges Platform were considered for allocation/Allotment. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

The Sponsor Banks were required to host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/ unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/ bearing on the Offer bidding process.

Participation by Promoters and members of the Promoter Group of the Bank, the BRLMs and the Syndicate Member

The BRLMs and the Syndicate Member were not allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Member could Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Member, were required to be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs); nor (ii) any "person related to the Promoters or Promoter Group" could apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights were deemed to be a "person related to the Promoters/Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to nominate any nominee director on our Board.

Further, an Anchor Investor was deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group will not participate in the Offer, except participation of our Promoter in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate was required to be lodged along with the Bid cum Application Form. Failing this, our Bank, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds were required to specifically state names of the concerned schemes for which such Bids were made.

In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicated the scheme concerned for which the Bid had been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Further, the Banking Regulation Act requires any person to seek prior approval of the RBI to acquire or agree to acquire, directly or indirectly, shares or voting rights of a bank, by itself or with persons acting in concert, wherein such acquisition (taken together with shares or voting rights held by such person or associate enterprise or persons acting in concert with the concerned person) results in aggregate shareholding of such person to be 5% or more of the paid-up capital of a bank or entitles him to exercise 5% or more of the voting rights in a bank. For details, see "*Key Regulations and Policies*" on page 313.

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 569. Participation of Eligible NRIs was subject to FEMA Regulations

Bids by Eligible NRIs

Eligible NRIs could obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange were considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms were required to authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders bidding through the UPI Mechanism) to block their Non- Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms were required to authorize their respective SCSB confirm or accept the UPI mandate request (in case of UPI Bidders using the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism were advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (white in colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

Participation by Eligible NRIs in the Offer was subject to the FEMA Non-Debt Instruments Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Our Bank has, pursuant to a Board resolution dated June 29, 2021 and Shareholders resolution dated July 12, 2021, has increased the limit of investment of NRIs to up to 24% of the paid-up equity share capital of the Bank, provided that the shareholding of each NRI in the Bank shall not exceed 5% of the equity share capital or such other limit as may be stipulated by the RBI.

For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 569.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid was made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs were considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer equity share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group was required to be below 10% of the total paid-up equity share capital of our Bank and the total holdings of all FPIs put together can be up to the sectoral cap applicable to the sector in which our Bank operates (i.e., up to 74%), as prescribed under the FEMA Non-Debt Instruments Rules.

With effect from April 1, 2020, the aggregate limit for FPI investments shall be the sectoral caps applicable to our Bank (i.e., automatic up to 49% and government route beyond 49% and up to 74%).

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Bank, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Bank and the investor will be required to comply with applicable reporting requirements.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Bank, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason. FPIs who wished to participate in the Offer were advised to use the Bid cum Application Form for Non-Residents (blue in colour).

To ensure compliance with the above requirement, SEBI has, pursuant to its circular dated July 13, 2018, directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your customer' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of the criteria provided under Regulation 21(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by FPIs submitted under the multiple investment managers structure with the same PAN but with different beneficiary account numbers, Client ID and DP ID including the following cases may not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The FPIs who wished to participate in the Offer were advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN were treated as multiple Bids and were liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, were liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs are making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids were liable to be rejected.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations till the existing fund or scheme managed by the fund is wound up. The holding in any company by any individual VCF or FVCIs registered with SEBI was required not to exceed 25% of the corpus of the VCF of FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs. Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds, in aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

Participation of AIFs, VCFs and FVCIs was subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Bank, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, was required to be attached to the Bid cum Application Form. Failing this, our Bank, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Bank, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in another banking company as per the Banking Regulation Act, and the Master Direction Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended (the "**Financial Services Directions**"), as updated, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services or 10% of the bank's own paid-up share capital and reserve, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. Our Bank was required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to *inter alia* make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed under 5(b)(i) of the Financial Services Directions), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Financial Services Directions. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see "*Key Regulations and Policies*" on page 313.

Bids by SCSBs

SCSBs participating in the Offer were required to comply with applicable law including the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013, respectively. Such SCSBs were required to ensure that for making applications on their own account using ASBA, they had a separate account in their own name with any other SEBI registered SCSBs. Further, such account was used solely for the purpose of making application in public issues and clear demarcated funds were available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI was required to be attached to the Bid cum Application Form. Failing this, our Bank, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250.00 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund was required to be attached to the Bid cum Application Form. Failing this, our Bank, in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250.00 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws was required to be lodged along with the Bid cum Application Form. Failing this, our Bank, in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Bank, in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Bank, in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, were required to be attached to the Bid cum Application Form. Failing this, our Bank, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of 36 Equity Shares and in multiples of 36 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee did not exceed ₹0.50 million.

However, the initial allocation to an Eligible Employee in the Employee Reservation Portion did not exceed ₹0.20 million. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 545.

Bids under the Employee Reservation Portion by Eligible Employees were :

(i) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).

(ii) Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) were eligible to apply in this Offer under the Employee Reservation Portion.

(iii) In case of joint bids, the sole bidder or the first bidder was the Eligible Employee.

(iv) Bids by Eligible Employees was made at Cut-off Price.

(v) Only those Bids, which were received at or above the Offer Price would be considered for allocation under this portion.

(vi) The Bids were for a minimum of 36 Equity Shares and in multiples of 36 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹0.50 million.

(vii) Eligible Employees bidding in the Employee Reservation Portion could Bid through the UPI mechanism

(viii) If the aggregate demand in this portion is less than or equal to 326,086 Equity Shares at or above the Offer Price, full allocation was made to the Eligible Employees to the extent of their demand.

(ix) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion was not treated as multiple Bids. Our Bank reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(x) Eligible Employees were required to mention their employee number at the relevant place in the Bid cum Application Form or Revision Form.

(xi) As per the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, Eligible Employees bidding in the Employee Reservation Portion could Bid through the UPI Mechanism.

If the aggregate demand in this portion is greater than 326,086 Equity Shares at or above the Offer Price, the allocation was made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" on page 550.

Bids by Anchor Investors

In accordance with the SEBI Regulations, the key terms for participation by Anchor Investors are provided below:

(1) Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the BRLMs.

(2) The Bid must have been for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹100 million.

(3) One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.

(4) Bidding for Anchor Investors opened one Working Day before the Bid/ Offer Opening Date.

(5) Our Bank, in consultation with the BRLMs finalized allocation to the Anchor Investors on a discretionary basis, in compliance with SEBI ICDR Regulations provided that the minimum number of Allottees in the Anchor Investor Portion was not less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion was up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion was more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

(6) Allocation to Anchor Investors was completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation was made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

(7) Anchor Investors could not withdraw or lower the size of their Bids at any stage after submission of the Bid.

(8) If the Offer Price was greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price was payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price was lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors was at the higher price, i.e., the Anchor Investor Offer Price.

(9) 50% Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked – in for a period of 30 days from the date of Allotment.

(10) Neither the (a) the BRLMs (s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLMs) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group were allowed to apply under the Anchor Investors category. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids.

For more information, please read the General Information Document and "*Restrictions on Foreign Ownership of Indian Securities*" on page 569.

The above information was given for the benefit of the Bidders. Our Bank, each of the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders were advised to make their independent investigations and ensure that any single Bid from them did not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and this Prospectus.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the Acknowledgment Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgment Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Bank, the Selling Shareholders, and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Bank, the management or any scheme or project of our Bank; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Investors were not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. UPI Bidders can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors were not allowed to withdraw or lower the size of their Bids after the Anchor Investor bidding date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Ensure that the PAN is linked with Aadhaar in compliance with Central Bureau of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021;

4. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

5. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct ASBA Account number if you are not a UPI Bidder bidding using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form under the ASBA process to any of the Designated Intermediaries;

8. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account Holder (or the UPI-linked bank account holder, as the case may be). Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

9. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

11. UPI Bidders bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgement;

13. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Banks

for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular MRD/DoP/Dep/Cir-09/06 dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned were liable to be rejected;

15. Ensure that the Demographic Details are updated, true and correct in all respects;

16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

17. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents, including a copy of the power of attorney are submitted;

19. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

20. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

21. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

22. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

23. UPI Bidders should ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 pm on the Bid/Offer Closing Date;

24. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks to block the Bid Amount mentioned in the Bid cum Application Form in his/her ASBA Account;

25. The ASBA bidders shall ensure that bids above ₹0.50 million, are uploaded only by the SCSBs;

26. UPI Bidders Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;

28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which was required to be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

29. UPI Bidders Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner; and

30. Ensure that while bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 was liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account.

8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

10. If you are a UPI Bidders and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

11. Anchor Investors should not Bid through the ASBA process;

12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Bank;

13. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

14. Do not submit the General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

19. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

20. If you are a QIB, do not submit your Bid after 3:00 pm on the QIB Bid/Offer Closing Date;

21. Do not Bid on another ASBA Form after you have submitted a Bid to any of the Designated Intermediaries;

22. Do not Bid for Equity Shares in excess of what is specified for each category;

23. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Member were required to ensure that they do not upload any bids above ₹ 500,000;

24. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Prospectus;

25. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

26. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder.

27. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

28. If you are an UPI Bidders which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

29. Do not Bid if you are an OCB;

30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

31. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders bidding using the UPI Mechanism;

32. Do not submit a Bid cum Application Form with a third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism); and

33. UPI Bidders bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected.

The Bid cum Application Form was liable to be rejected if the above instructions, were applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids may be rejected on the following additional technical grounds:

(a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
(b) Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
(c) Bids submitted on a plain paper;
(d) Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
(e) Bids under the UPI Mechanism submitted by UPI Bidders using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Bank(s));
(f) Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;
(g) Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
(h) ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;
(i) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
(j) Bids submitted without the signature of the First Bidder or sole Bidder;
(k) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
(l) Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
(m) GIR number furnished instead of PAN;
(n) Bids by RIBs with Bid Amount of a value of more than ₹ 200,000;
(o) Bids by Eligible Employees Bidding in the Employee Reservation Portion with Bid Amount of a value of more than ₹ 500,000
(p) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
(q) Bids accompanied by stock invest, money order, postal order, or cash; and
(r) Bids uploaded by QIBs and by Non-Institutional Bidders after 4:00 p.m. on the Bid/ Offer Closing and Bids by RIBs, Eligible Employees Bidding in the Employee Reservation Portion uploaded after 5:00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein

and as informed to the Stock Exchanges.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" on pages 121 and 345, respectively.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information*" on page 121.

Further, helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 are set forth in the table below:

S.No.	Name of the BRLM	Helpline	Telephone
1.	Axis Capital Limited	jana.ipo@axiscap.in	+91 22 4325 2183
2.	ICICI Securities Limited	jana.ipo@icicisecurities.com	+91 22 6807 7100
3.	SBI Capital Markets Limited	jana.ipo@sbicaps.com	+91 22 4006 9807

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, were required to ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Bank will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and this Prospectus, except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the Retail Individual Bidders, Non-Institutional Bidders and Anchor Investors was on a proportionate basis within the respective investor categories and the number of securities allotted had been rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidders was not less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available Equity Shares, if any, were be allotted on a proportionate basis.

Not less than 15% of the Net Offer was made available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, was subject to the following: (i) one-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders was reserved for applicants with an application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The Allotment to each Non-Institutional Bidder was not less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, were allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Bank in consultation with the BRLMs, in their absolute discretion, decided the list of Anchor Investors to whom the CAN was sent, pursuant to which the details of the Equity Shares allocated to them in their respective names were notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) were required to be drawn in favour of:

(a) In case of resident Anchor Investors: "JANA SMALL FINANCE BANK LIMITED – ANCHOR INVESTOR RESIDENT"

(b) In case of Non-Resident Anchor Investors: "JANA SMALL FINANCE BANK LIMITED – ANCHOR INVESTOR NON-RESIDENT"

Anchor Investors were required to note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Bank, each of the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre- Offer Advertisement

Our Bank, after filing the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) all editions of The Financial Express, a widely circulated English national daily newspaper (ii) all editions of Jansatta, a widely circulated Hindi national daily newspaper and (iii) Bengaluru edition of Vishwavani, a widely circulated Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located).

In the pre-Offer advertisement, we stated the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, was in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Bank, the BRLMs and the Registrar shall publish an advertisement in relation to Allotment before commencement of trading, disclosing the date of commencement of trading of the Equity Shares, in (i) all editions of The Financial Express, a widely circulated English national daily newspaper (ii) all editions of Jansatta, a widely circulated Hindi national daily newspaper and (iii) Bengaluru edition of Vishwavani, a widely circulated Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located). The advertisement shall also be available on the websites of the Bank, BRLMs and Registrar to the Offer.

The above information is given for the benefit of the Bidders/applicants. Our Bank, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders/applicants were advised to make their independent investigations and ensure that the number of Equity Shares Bid for did not exceed the prescribed limits under applicable laws or regulations

Signing of the Underwriting Agreement and filing of the Red Herring Prospectus and this Prospectus with the RoC

(a) Our Bank, the Selling Shareholders and the Underwriters have entered into an Underwriting Agreement on February 9, 2024.

(b) After signing the Underwriting Agreement, this Prospectus had been filed with the RoC in accordance with applicable law. This Prospectus contains details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and is complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see "*Terms of the Offer*" on page 539.

Undertakings by our Bank

Our Bank undertakes the following:

- adequate arrangements were made to collect all Bid cum Application Forms submitted by Bidders (including Anchor Investor Application Form from Anchor Investors);
- the complaints received in respect of the Offer shall be attended to by our Bank expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by SEBI;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Bank shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed were made available to the Registrar to the Offer by our Bank;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund; and
- Except for the allotment of Equity Shares upon any exercise of options vested pursuant to the ESOP 2018 and ESOP 2017, no further issue of Equity Shares shall be made till the Equity Shares offered pursuant to the Offer are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The Selling Shareholders specifically confirm and undertake, severally and not jointly, in respect of themselves as Selling Shareholders and the respective portions of the Equity Shares offered by them in the Offer for Sale that:

- they are the legal and beneficial owner of the Offered Shares, and hold clear and marketable title to their respective portions of the Offered Shares;
- the Equity Shares offered for sale by the Selling Shareholders in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- they shall deposit the respective Equity Shares offered by them for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- that they shall provide such reasonable assistance to our Bank and the BRLMs in redressal of such investor grievances that pertain to the respective Equity Shares held by them and being offered pursuant to the Offer;
- they shall provide such reasonable cooperation to our Bank in relation to the respective Equity Shares offered by them in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges;
- they shall not have recourse to the proceeds of the Offer for Sale until final approval for trading of the Equity Shares from the Stock Exchanges has been received; and
- it is not debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any authority or court.

The decisions with respect to the Price Band, the minimum Bid Lot, revision of Price Band will be taken in compliance with SEBI ICDR Regulations. The Offer Price was decided in compliance with SEBI ICDR Regulations, on the Pricing Date in accordance with the Book Building Process and this Prospectus.

Only the statements and undertakings in relation to each of the Selling Shareholders and their portion of the Equity Shares offered in the Offer for Sale which are specifically "confirmed" or "undertaken" by each of the Selling Shareholders in this Prospectus, shall be deemed to be "statements and undertakings specifically confirmed or undertaken" by each of the Selling Shareholders severally and not jointly. All other statements and/ or undertakings in this Prospectus shall be statements and undertakings made by our Bank even if the same relate to any one or more of the Selling Shareholders.

The filing of this Prospectus also does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of themselves and of their respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilised, under an appropriate head in the balance sheet of our Bank indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested. The Bank and each of the Selling Shareholders, severally and not jointly, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

Impersonation

Attention of the Bidders was specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who—*

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his* *name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, 'includes imprisonment for a term which was not less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term was not less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5.00 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) ("**DPIIT**"), issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEM NDI Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEM NDI Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Bank and the Registrar in writing about such approval along with a copy thereof within the Bid/ Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

Foreign Exchange Laws

The foreign investment in our Bank is governed by *inter alia* the FEMA, as amended, the FEM NDI Rules, as amended, and the FDI Policy issued and amended by way of press notes.

In terms of the FDI Policy and SFB Licensing Guidelines, the aggregate foreign investment in an SFB is allowed up to a maximum of 74% of the paid-up capital of the SFB (automatic up to 49% and approval route beyond 49% up to 74%). At all times, at least 26% of the paid-up capital will have to be held by residents.

Investment by Eligible NRIs

In accordance with the FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, did not exceed 5% of the total paid-up equity capital on a fully diluted basis or did not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non-repatriation basis, did not exceed 10% of the total paid-up equity capital on a fully diluted basis or did not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Our Bank has, pursuant to a Board resolution dated March 22, 2021 and Shareholders resolution dated March 25, 2021, has increased the limit of investment of NRIs to up to 24% of the paid-up equity share capital of the Bank, provided that the shareholding of each NRI in the Bank did not exceed 5% of the equity share capital or such other limit as may be stipulated by the RBI.

Investment by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) was below 10% of our post-Offer equity share capital. Further, in terms of the FEM NDI Rules, the total holding by each FPI or an investor group was below 10% of the total paid-up equity share capital of our Bank and the total holdings of all FPIs put together could be up to the sectoral cap applicable to the sector in which our Bank operates (i.e., up to 74%), as prescribed under the FEM NDI Rules.

In case the total holding of an FPI increases beyond 10% of the total paid-up equity share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Bank, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Bank and the investor was required to comply with applicable reporting requirements.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Bank. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Bank are detailed below.

Authorised share capital

The authorized share capital of Jana Small Finance Bank Limited (the "**Bank**") shall be such as given in Clause V of the Memorandum from time to time, with the power to increase or reduce the capital and to issue any part of its capital original or increased with or without any priority or special privilege, subject to the provisions of the 1949 Act, the Act, the Guidelines or any other rules under Applicable.

Alteration of capital

The Bank shall have the power to increase or reduce the authorised capital and to issue any part of its capital original or increased with or without any priority or special privilege subject to compliance with the 1949 Act, the Act, the Guidelines or any other rules under Applicable Law, or subject to any postponement of rights or to any conditions or restrictions so that unless the conditions of issue otherwise prescribe such issue shall be subject to the provisions herein contained.

The Bank in General Meeting may, from time to time, increase the capital by the creation of new shares of such amount as may be deemed expedient.

Subject to the provisions of Section 43 of the Act and Section 12 of the 1949 Act and the Guidelines, the new shares shall be issued upon such terms and conditions and with such rights and privileges as the Bank in General Meeting shall prescribe, and in particular, such shares may be issued, subject to the 1949 Act and circulars that may be issued by the RBI from time to time, with a special or qualified right to dividend and in the distribution of assets of the Bank.

Any issue of shares which results in a Person (by himself or acting in concert with any other Person) acquiring 5% or more of the paid-up Equity Share capital or voting rights of the Bank shall be made with prior approval of RBI.

Power to sub- divide and consolidate

The Bank may, by ordinary resolution, from time to time, subject to Section 61 of the Act, alter the conditions of Memorandum as follows:

a. Consolidate and divide all or any its share capital into shares of larger amount than its existing shares;

b. Sub- divide its existing shares or any of them into shares of smaller amount than is fixed by Memorandum;

c. Cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; and

d. Convert all or any one its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Allotment of shares

Subject to the provisions of the Act, 1949 Act and these Articles the shares in the capital of the Bank for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such times as they may from time to time think fit and proper, and with full power with the sanction of the Bank in General Meeting, to give to any person the option or right to call for or be allotted shares of any class of the Bank either at par or at premium such option being exercisable at such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the Bank on payment in full or part of any property sold and transferred or for any services rendered to the Bank in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid shares. Provided that the option or right to call for shares shall not be given to any person or persons without the sanction of the Bank in the General Meeting.

Forfeiture and lien

If any Member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter while the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Bank by reason of such non-payment. The provisions of forfeiture shall apply in the case of non- payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

The Bank shall have no lien on its fully paid-up shares.

The Bank shall have a first and paramount lien (i) on every share to the extent of all moneys called or payable at a fixed time in respect of such shares and (ii) on all shares/ debentures (not being fully paid-up) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Bank. If a member fails to pay any call, or instalment on or before the day appointed for the payment of the same, the Board may at any time thereafter, during such time as the call or instalment remain unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses that may have been incurred by the Bank by reasons of such non-payment.

Shares

When at any time the Bank proposes to increase the subscribed capital of the Bank by the issue of new shares, then subject to any decision which may be taken by the Bank in General Meeting, such new shares shall be offered to such persons as specified in the Act and these Articles.

Nothing in this Article shall apply to the increase of the subscribed capital of the Bank caused by the exercise of an option attached to the debentures issued or loans raised by the Bank to convert such debentures or loans into shares of the Bank or subscribe to shares of the Bank in accordance with the provisions of the 1949 Act and guidelines issued by the RBI from time to time. Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a Special Resolution passed by the Bank in a General Meeting.

Subject to the provisions of the Act, 1949 Act and these Articles the shares in the capital of the Bank for the time being (including any shares forming a part of any increased capital of the Bank) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par (and subject to compliance with applicable law) at a discount and at such times as they may from time to time think fit and proper, and with full power with the sanction of the Bank in General Meeting, to give to any person the option or right to call for or be allotted shares of any class of the Bank either at par or at premium such option being exercisable at such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the Bank on payment in full or part of any property sold and transferred or for any services rendered to the Bank in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid shares. Provided that the option or right to call for shares shall not be given to any person or persons without the sanction of the Bank in the General Meeting.

Any application signed by the applicant for shares in the Bank, followed by an allotment of any shares therein, shall on acceptance of the shares by him within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purposes of the Act and these Articles, be a Member of the Bank.

Every Member shall pay to the Bank the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereof, in such amounts, at such time or times and in such manner as the Board of Directors shall from time to time, in accordance with these Articles, require or fix for the payment thereof.

The Bank shall cause to be kept a Register of Members, an index of Members, a register of debenture holders and an index of debenture holders in accordance with Section 88 of the Act.

Subject to Section 89 of the Act and save as herein otherwise provided, the Bank shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof.

Certificate

The certificates of title to shares shall be issued under the Companies (Share Capital and Debentures) Rules, 2014 and other relevant provisions under Applicable Law.

Unless where the shares are issued in dematerialized form, every Member or allottee of shares shall be entitled, without payment, to receive within 2 months after incorporation, in case of subscribers to the Memorandum or after allotment or within 1 month after the application for the registration of transfer or transmission, or within such other period as per the conditions of issue or Applicable Law:

(a) One certificate for all his shares without payment of any charge; or

(b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

On listing of the shares of the Bank on a recognised stock exchange, the share certificates shall be generally issued in marketable lots and where share certificates are issued in lots other than marketable lots, subdivision, and consolidation of share certificates into marketable lots shall be done by the Bank free of charge.

Every certificate shall specify the name of the person in whose favour it is issued. Every share shall be distinguished by its appropriate number and shall specify the shares to which it relates and the amount paid-up thereon.

No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or where the pages on the reverse for recording transfers have been duly utilized, unless the certificate in lieu of which it is issued is surrendered to the Bank. Duplicate share certificates may be issued in lieu of those that are lost or destroyed or in replacement of those which are defaced, torn, old, decrepit, worn out with the prior consent of the Board and on such reasonable terms, as the Board may think fit. The Bank shall make entry of such share certificates issued in the register of renewed and duplicate share certificates in such manner and within such timeframe prescribed in the Act.

In respect of any share or shares held jointly by several persons, the Bank shall not be bound to issue more than one share certificate. The certificates of shares registered in the names of two or more persons shall be delivered to any one of such persons named in the Register, which shall be sufficient delivery to all such holders.

The provisions above shall mutatis mutandis apply to debentures of the Bank.

Transfer and transmission of shares

No transfer shall be registered unless a proper instrument of transfer has been delivered to the Bank. Every such instrument of transfer shall be duly stamped and executed both by the transferor and transferee and duly attested. The instrument of transfer of any share shall be in the prescribed form and in accordance with the requirements of sub-section (1) of Section 56 of the Act. The transferor shall be deemed to remain as the holder of such share until the name of the transferee shall have been entered in the Register in respect thereof.

The Board may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of shares. Further, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

Any transfer of shares which results in a Person (by himself or acting in concert with any other Person) acquiring 5% (five per cent) or more of the paid-up Equity Share capital or voting rights of the Bank shall be made with prior approval of RBI. No person/ group of persons shall acquire or agree to acquire directly or indirectly by himself or acting in concert with any other person, any shares of the Bank or voting rights therein, in contravention of the provisions of the 1949 Act or the Guidelines.

If the Board of Directors refuses to register a transfer of any shares, they shall, within 15 days from the date on which the transfer was lodged with the Bank, send to the transferee and the transferor notice of the refusal.

The legal heir, nominee, executors or administrators of a deceased Member shall be the only persons recognised by the Bank as having any title to his share except in cases of joint holders, in which case the surviving holder or holders or the executors or administrators of the last surviving holders shall be the only persons entitled to be so recognised; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him. The Bank shall not be bound to recognise such executor or administrator, unless he shall have obtained probate or letters of administration or other legal representation, as the case may be, from a competent court in India. Provided nevertheless that in cases, which the Board in its discretion considers to be special cases and in such cases only, it shall be lawful for the Board to dispense with the production of probates or letters of administration or such other legal representations upon such terms as to indemnity, publication of notice or otherwise as the Board may deem fit.

Every transmission of a share shall be verified in such manner as the Board of Directors may require and the Bank may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Bank with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation of the Bank or the Board of Directors to accept any indemnity. The Bank shall ensure that transmission requests are processed for securities held in dematerialized mode and physical mode within seven days and twenty one days respectively, after receipt of the specified documents.

The provisions of these Articles shall mutatis mutandis apply to the transfer of debentures and other securities of the Bank or transmission thereof by operation of law.

Buyback

Subject to the provisions of Section 68 to 70 of the Act, provisions of 1949 Act and guidelines issued by the RBI from time to time, FEMA and any other Applicable Law for the time being in force, the Bank may purchase its own shares or specified securities in such manner as may be prescribed.

Borrowing powers

The Board may, from time to time by a resolution passed at a meeting of the Board, borrow money for the purposes of the Bank. Subject to the provisions of the Act, the 1949 Act and guidelines issued by the RBI from time to time, and these Articles, the Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit. Provided that the Board of Directors shall not borrow money except with the approval of the Bank in

General Meeting by Special Resolution, where money to be borrowed together with the money already borrowed by the Bank, apart from temporary loans obtained in its ordinary course of business and except as otherwise provided hereafter, shall exceed the aggregate of the paid-up capital of the Bank and its free reserves or limits as set under the Act.

Provided that nothing contained herein above shall apply to: (i) any sums of money borrowed by the Bank from any other banking companies or from the RBI, or any other scheduled banks established by or under any law for the time being in force; and (ii) acceptance by the Bank in the ordinary course of business of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise.

Issue of Bonus Shares

The Bank may issue fully paid-up bonus shares to its Members in accordance with the provisions of Section 63 of the Act, 1949 Act and Applicable Laws subject to such terms and conditions as may be prescribed from time to time.

General Meetings

All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.

Meetings of Directors

The Directors may meet together at a Board for the dispatch of business from time to time, and at least 4 such meetings shall be held in every year with a time gap of not more than 120 days. The Directors may adjourn and otherwise regulate their meetings and proceedings as they may think fit. Notice of every meeting of the Board of Directors shall be given in writing to every Director at his usual address in India and, in the case of any Director residing abroad, such notice shall also be given by fax to such Director's fax number abroad. A notice of the Board meeting may also be served electronically.

Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be 1/3rd of its total strength, or 2 Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to 2/3rd of the total strength of the number of the remaining Directors, that is to say, the number of Directors who are not interested and present at the meeting being not less than 2, shall be the quorum during such time. Subject to the Act, participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum. If a meeting of the Board cannot be held for want of quorum, then the meeting shall stand adjourned to such day, time and place as the Director or Directors present at the meeting may fix.

A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all authority, powers and discretions which by or under the Act or the Articles of the Bank are for the time being vested in or exercisable by the Board of Directors generally.

The Board of Directors may constitute such committees of Directors as may be required under the Act or 1949 Act or other Applicable Laws as may be applicable from time to time. The Directors may subject to the provisions of the Act and the 1949 Act, delegate any of their powers to committees consisting of such member or members of their body as they think fit and they may from time to time revoke such delegation. Any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors.

The Bank shall cause minutes of the proceedings of every meeting of the Board of Directors and of every committee of the Board to be recorded in accordance with the relevant provisions of Section 118 of the Act, within 30 days of the conclusion of every such meeting and the minutes shall contain the matters specified in the said section.

The Bank shall maintain such registers, books and documents as may be required under the Act and 1949 Act.

Managing Directors

Subject to the provisions of the Act and the previous approval of the RBI if required under the 1949 Act, a Managing Director may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and may be removed by means of a resolution of the Board. Further, the Bank may appoint such number of Directors as the Managing Director as it deems fit, subject to the requisite approval from the RBI and other Applicable Laws.

A Managing Director whose term of office has come to an end, either by reason of his resignation or by reason of expiry of the period of his office, shall, subject to the approval of the RBI, continue in office until his successor assumes office. Further, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation under the Act or these Articles but he shall, subject to the provisions of any contracts between him and the Bank, be subject to the same provisions as to resignation and removal as the other Directors of the Bank and he shall ipso facto immediately cease to be a Managing Director if he ceases to hold the office of Director for any cause.

Appointment of Directors

Until otherwise determined by the General Meeting, the number of Directors on the Board of the Bank shall not be less than 3 (three) or more than 15 (fifteen). Majority of the Board of Directors shall include persons with professional and other experience as required under the 1949 Act. The Bank shall appoint such number of Independent Directors and woman Director as may be required under the Act, 1949 Act or any other Applicable Law for the time being in force. Subject to Sections 152, 160 and other applicable provisions of the Act and 1949 Act, one third of the total number of Directors of the Bank may be non-retiring Directors.

Extra-ordinary general meeting

The Board may, whenever it thinks fit, call an Extra- Ordinary General Meeting.

Votes of Members

Subject to the provisions of the Act, votes may be given either personally or by an attorney or by Proxy or, in the case of a body corporate, by a representative duly authorised under Section 113 of the Act. A Member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

Subject to any rights or restrictions for the time being attached to any class or classes of shares, (i) on a show of hands, every Member present in person shall have one vote; and (ii) on a poll, the voting rights of Members shall be in proportion to his share in paid-up equity share capital. Provided however that the voting rights shall be subject to the restrictions imposed under Section 12 of the 1949 Act.

A body corporate (whether a company within the meaning of the Act or not) may if it is duly authorised by a resolution of its Directors or other governing body, appoint a person to act as its representative at any meeting in accordance with the provisions of section 113 of the Act. The production at the meeting of a copy of such resolution duly signed by one Director of such body corporate or by a Member of its governing body and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Bank as sufficient evidence of the validity of his appointment.

Any Member of the Bank entitled to attend and vote at a meeting of the Bank shall be entitled to appoint any other person (whether a Member or not) as his Proxy to attend and vote instead of himself, but a Proxy so appointed shall not have any right to speak at the meeting.

No Member shall be entitled to vote at any General Meeting either personally or by Proxy or as Proxy for another Member or be reckoned in a quorum while any call or other sum shall be due and payable to the Bank in respect of any of the shares of such Member or in respect of any shares on which the Bank has or had exercised any right of lien.

Dividend

No dividend shall be declared or paid by the Bank for any Financial Year, unless requirement of Sections 15, 17 and other applicable provisions, if any, of the 1949 Act are complied with.

Subject to the provisions of Section 123 of the Act, the Board may from time to time pay interim dividends as they deem fit and justified by the profits of the Bank.

The Bank may in General Meeting subject to Sections 123 and other applicable provisions of the Act and 1949 Act, declare dividends, to be paid to Members according to their respective right but no dividend shall exceed the amount recommended by the Board of Directors. No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits or otherwise than in accordance with the provisions of Sections 123 of the Act or any other law for the time being in force and no dividend shall carry interest as against the Bank unless required by law. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such shares shall rank for dividend accordingly.

Unpaid or Unclaimed Dividend

Unclaimed / unpaid dividend shall not be forfeited by the Board. However, if it remains unclaimed / unpaid for a period beyond that specified under the Act, the same shall be transferred to the Investor Education and Protection Fund.

Where a dividend has been declared by the Bank but has not been paid or claimed within 30 days from the date of the declaration, the Bank shall, within 7 days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid / unclaimed to a special account to be opened by the Bank in that behalf in any Scheduled Bank to be called "Unpaid Dividend Account of Jana Small Finance Bank Limited." and all the other provisions of Sections 123 and 124 of the Act in respect of any such unpaid dividend or any part thereof shall be applicable, observed, performed and complied with.

No dividend shall be payable except in cash; Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits of the Bank for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the Members of the Bank.

No dividend shall bear interest against the Bank.

Winding Up

Subject to the provisions of 1949 Act and Chapter XX of the Act and the rules made thereunder:

(1) If the Bank shall be wound up, the liquidator may, with the sanction of a shareholders resolution as necessary and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Bank, whether they shall consist of property of the same kind or not.

(2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as among the Members or different classes of Members.

(3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

Every officer or agent for the time being of the Bank shall be indemnified out of the funds of the Bank against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the Court or the Tribunal.

Subject to the provisions of Section 197 of the Act, no Director, Managing Director & CEO or whole time Director or other officer of the Bank shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any respect of other act for conformity or for any loss or expenses happening to the Bank through the insufficiency or deficiency of title to any property acquired by order of the Directors in or upon which any of the moneys of the Bank shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment, omission or default or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into by our Bank (not being contracts entered into in the ordinary course of business carried on by our Bank) which are or may be deemed material were attached to the copy of the (i) Red Herring Prospectus which was filed with the RoC (other than the documents executed after the Bid/Offer Closing Date); and (ii) this Prospectus which has been filed with the RoC. Copies of the contracts and also the documents for inspection which were attached to the Red Herring Prospectus, were available for inspection at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date. The copies of the contracts and also the documents for inspection which were attached to the Red Herring Prospectus were also uploaded on the website of our Bank at https://www.janabank.com/about-us/disclosures/#contracts-and-documents and were available for inspection from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

a) Offer Agreement dated July 30, 2023 between our Bank, the Selling Shareholders and the BRLMs, as amended by the Amendment Agreement to the Offer Agreement dated January 23, 2024.

b) Registrar Agreement dated July 29, 2023 between our Bank, the Selling Shareholders and the Registrar to the Offer, as amended by the Amendment Agreement to Registrar Agreement dated January 23, 2024.

c) Cash Escrow and Sponsor Bank Agreement dated January 31, 2024 between our Bank, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Bank and the Refund Bank(s).

d) Share Escrow Agreement dated January 29, 2024 amongst the Selling Shareholders, our Bank and the Share Escrow Agent

e) Syndicate Agreement dated January 31, 2024 between our Bank, the Selling Shareholders, the BRLMs, the Registrar to the Offer and Syndicate Members.

f) Underwriting Agreement dated February 9, 2024 between our Bank, the Selling Shareholders and the Underwriters.

B. Material Documents

a) Certified copies of the updated Memorandum and Articles of Association of our Bank as amended from time to time.

b) Certificate of incorporation dated July 24, 2006 issued by the RoC to our Bank, in the name of 'Janalakshmi Financial Services Private Limited'.

c) Certificate of incorporation dated August 10, 2015 issued by the RoC to our Bank, in the name of 'Janalakshmi Financial Services Limited'.

d) Certificate of incorporation dated January 29, 2018 issued by the RoC to our Bank, in the name of 'Jana Small Finance Bank Limited'.

e) RBI In-Principle Approval dated October 7, 2015, pursuant to which our Bank (then known as Janalakshmi Financial Services Private Limited) was granted an in-principle approval no. DBR.PSBD.NBC (SFB-JFS) No.4918/16.13.216/2015-16, to establish and convert into an SFB under Section 22 of the Banking Regulation Act.

f) RBI Final Approval dated April 28, 2017 bearing no. DBR.NBD (SFB-JFS) No.12881/16.13.216/2016-17, pursuant to which RBI granted license no. MUM:134 to our Bank to carry on the SFB business in terms of Section 22 of the Banking Regulation Act.

g) RBI letter bearing no. DBR. Appt. No. 5854/29.44.001/2017-18 dated December 21, 2017 read with RBI letter bearing no. DBR. Appt. No. 8428/29.44.001/2017-18 dated March 21, 2018, and of Ajay Kanwal as the Managing Director and Chief Executive Officer of our Bank for a period of three years with effect from the date of his taking charge, and RBI letter bearing no. DoR. GOV. No. 3558/29.44.001/2020-2021 dated March 5, 2021 approving the re- appointment of Ajay Kanwal the Managing Director and Chief Executive Officer of our Bank for a period of three years.

h) RBI letter bearing no. DBR. Appt. No. 11274/29.44.001/2017-18 dated June 14, 2018, approving the appointment of Ramesh Ramanathan as the Part-Time Chairman of our Bank for a period of three years from the date of his taking charge and RBI letter bearing no. DoR. GOV. No. S1833/29.44.00.001/2021-22 dated October 25, 2021 approving the appointment of Subhash Chandra Khuntia as the Part-Time Chairman of our Bank for a period of three years, with effect from October 25, 2021.

i) RBI letters dated December 31, 2019, October 27, 2020 and March 31, 2021 with respect to remuneration of MD and CEO for FY 2018-19 and FY 2019-2020;

j) RBI letters dated January 12, 2022 and July 28, 2022 with respect to remuneration of MD and CEO for FY 2020-21;

k) RBI letter dated December 2, 2022 with respect to remuneration of MD and CEO for FY 2021-22;

l) RBI letter dated October 9, 2023 with respect to remuneration of MD and CEO for FY 2022-23 and FY 2023-24;

m) RBI letter bearing no. CO.DOR.HGG.NO. S4433/29-44-001/2023-2024 dated November 2, 2023, approving the appointment of Krishnan Subramania Raman as the Executive Director of our Bank for a period of three years with effect from the date of his taking charge and with respect to his remuneration as Executive Director for FY 2023-24.

n) RBI letter bearing no. DOR.GOV.No.S6085/29-44-001/2023-2024 dated January 19, 2024, approving the forfeiture and reissuance of 5,67,647 ESOPs at a revised price of ₹ 302.98.

o) RBI letter bearing no. DOR.GOV.No.S6299/29.44.001/2023-2024 dated January 31, 2024, approving the variable pay for our MD and CEO for the FY 2022-23.

p) Restated shareholders' agreement dated June 9, 2016 entered into between our Bank, Ramesh Ramanathan, JUF, JHL, JCL, Badri Narayan Pilinja, CRL, ERL, KP Samuel and Alwyn D'Souza, as trustees of GP II Trust (Ajay Tandon) and GP II Trust (Siva Shankar), India Financial Inclusion Fund, ENAM, Vallabh Bhanshali, Vallabh Bhanshali HUF, Tree Line, North Haven, Alpha TC, QRG, TPG Asia VI SF Pte. Ltd, GAWA 2 and Caladium Investment Pte Ltd. read with deeds of adherence entered into with (i) Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz General Insurance Company Limited; (ii) ICICI Prudential Life Insurance Company Limited and ICICI Lombard General Insurance Company Limited; (iii) the HV Entities and the HarbourVest Entities; (iv) Amansa Holdings Pte Ltd; (v) Hero Ventures; and (vi) the HV Entities, dated September 7, 2017, April 5, 2018, April 5, 2018, March 28, 2019, March 29, 2019 and August 23, 2018, respectively, as amended by the waiver cum amendment agreement dated July 27, 2023, as further amended by Second SHA Amendment Agreement dated January 22, 2024.

q) Shareholders' agreement dated February 11, 2016 entered into between JCL, JUF and Ramesh Ramanathan, Raghunath Srinivasan and V. S. Radhakrishnan, North Haven, QRG, TPG Asia VI SF Pte Ltd., Caladium Investment Pte Ltd. and ENAM, as amended by the amendment agreement dated September 25, 2017, as amended by the waiver cum amendment agreement dated July 27, 2023.

r) Securities subscription agreement dated March 29, 2019 entered into between the Bank, Ramesh Ramanathan, JUF and Hero Ventures, as amended by way of the letter amendment agreement dated March 25, 2021 and letter amendment agreement dated March 31, 2023.

s) Securities subscription agreement dated August 16, 2022 entered into between the Bank, Ramesh Ramanathan, JUF and TPG Asia, as amended by the first amendment agreement dated July 28, 2023.

t) Securities subscription agreement dated June 27, 2023 entered into between the Bank, Ramesh Ramanathan, JUF, Dovetail, Volrado, Deepak Talwar and Singularity.

u) Assignment and assumption agreement dated entered into between Hero Ventures and (i) Amer Investments (Delhi) Limited; (ii) Ananta Capital Ventures Fund 1; (iii) Bengal Rubber Company Limited; (iv) Bharti (Satya) Family Trust; (v) Central India Industries Limited; (vi) Elpro International Limited; (vii) Par Solar Private Limited; (viii) Puran Associates Private Limited; (ix) Ranchi Enterprise and Properties Limited; (x) S Four Capital; (xi) Spark Fund Advisors LLP; and (xi) Universal Trading Company Limited dated August 9, 2023, August 9, 2023, August 9, 2023, August 14, 2023, August 9, 2023, August 8, 2023, August 9, 2023, August 9, 2023, August 9, 2023, August 9, 2023, August 9, 2023 and August 9, 2023, respectively

v) Assignment and assumption agreements entered into between Spark Fund Advisors LLP and (i) P Deepak; (ii)Dhankalash Distributors Private Limited; (iii) NABS Vriddhii LLP; (iv) Tarak Bhikhalal Madhani HUF; (v) Bijoy Paulose; (vi) Genesis Exports Ltd Limited; (vii) Kairos Capital Trust; (viii) Valluru Venkat Ruthvik Reddy; and (ix) S Four Capital dated September 12, 2023, September 12, 2023, September 12, 2023, September 12, 2023, September 13, 2023, September 12, 2023, September 12, 2023, September 20, 2023 and

August 28, 2023 respectively.

w) Unattested Agreement to Pledge dated May 25, 2023 entered into between Bank, JHL and Catalyst Trusteeship Limited; Unattested Agreement to Pledge dated February 3, 2022 entered into between Bank, JHL and Catalyst Trusteeship Limited; and letter dated July 27, 2023 bearing reference number CTL/23-24/JSFBL/1880/3906 issued by Catalyst Trusteeship Limited to the Bank with respect to non-object for creation of pledge post expiry of lock-in periods prescribed under SEBI ICDR.

x) Unattested Agreement to Pledge dated March 26, 2018, entered into between Bank, JHL and Catalyst Trusteeship Limited and letter bearing reference number CTL/23-24/JHL/1908 issued by Catalyst Trusteeship Limited to JHL

y) Trademark licence agreement dated November 5, 2019 entered into between JUF and our Bank in connection with the licensing of certain trademarks to our Bank.

z) Resolutions of the Board of Directors dated July 20, 2023, authorising the Offer and other related matters.

aa) Shareholders' resolution dated July 26, 2023, in relation to the Fresh Issue and other related matters.

bb) Copies of the annual reports of our Bank for the Fiscals 2023, 2022 and 2021.

cc) The examination report of the Joint Statutory Auditors, on our Bank's Restated Financial Statements, included in this Prospectus along with the Restated Financial Statements.

dd) The statement of special tax benefits dated January 18, 2024 from the Joint Statutory Auditors.

ee) Written consent of the Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Bank, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Sponsor Bank, Company Secretary and Compliance Officer, as referred to in their specific capacities.

ff) Written consent dated February 9, 2024 of the Joint Statutory Auditors, M M Nissim & Co LLP, Chartered Accountants and Brahmayya & Co. Chartered Accountants to include their name as required under Section 26(5) of the Companies Act, 2013 in this Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013.

gg) Written consent dated January 22, 2024 from JHS & Associates, LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Bank.

hh) Consent letters from the Selling Shareholders, authorising their participation in the Offer.

ii) Report titled *"Industry Research Report on the Banking Sector in India"* dated December 4, 2023, issued by Fitch Solutions.

jj) Consent letter dated December 19, 2023 issued by Fitch Solutions with respect to the report titled *"Industry Research Report on the Banking Sector in India"* dated December 4, 2023.

kk) Board and IPO Committee resolutions dated July 29, 2023 and July 30, 2023 approving the Draft Red Herring Prospectus.

ll) Board resolution dated February 1, 2024 approving the Red Herring Prospectus.

mm) Board resolution dated February 9, 2024 approving this Prospectus.

nn) Certificate dated February 1, 2024 issued by JHS & Associates LLP, Chartered Accountants certifying the KPIs of the Bank.

oo) Resolution dated February 1, 2024 passed by the Audit Committee approving the KPIs for disclosure.

pp) Due diligence certificate dated July 30, 2023, addressed to SEBI from the BRLMs.

qq) In principle listing approvals dated September 7, 2023, issued by BSE and NSE, respectively.

rr) SEBI final observations letter bearing reference number SEBI/HO/CFD/RAC/DIL2/P/OW/2023/44817/1 dated November 7, 2023.

ss) Letter dated July 29, 2023 issued by the Bank containing details of observations in relation to the annual financial inspection reports issued by the RBI for the Financial Year 2022 under Section 35 of Banking

Regulation Act, 1949.

tt) Tripartite agreement dated October 31, 2013 between our Bank, NSDL and the Registrar to the Offer.

uu) Tripartite agreement dated October 10, 2013, between our Bank, CDSL and the Registrar to the Offer.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Bank or if required by the other parties, without notice to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of our Bank

____

Subhash Chandra Khuntia

Part-Time Chairman and Independent Director

Place: Bangalore

Date: February 9, 2024

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of our Bank

____

Ajay Kanwal

Managing Director and Chief Executive Officer

Place: Bangalore

Date: February 9, 2024

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of our Bank

____

Krishnan Subramania Raman

Executive Director

Place: Bangalore

Date: February 9, 2024

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of our Bank

____

Ramesh Ramanathan

Non-Executive Non-Independent Director

Place: Bangalore

Date: February 9, 2024

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of our Bank

Rahul Khosla

Non-Executive Non-Independent Nominee Director

Place: Singapore

Date: February 9, 2024

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of our Bank

____

Ramalingam Ramaseshan

Non-Executive Independent Director

Place: Bangalore

Date: February 9, 2024

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of our Bank

____

Chitra Talwar

Non-Executive Independent Director

Place: Bangalore

Date: February 9, 2024

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of our Bank

____

Kumbla Srinivas Nayak

Non-Executive Independent Director

Place: Mumbai

Date: February 9, 2024

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Directors of our Bank

____

Pammi Vijaya Kumar

Non-Executive Independent Director

Place: Mumbai

Date: February 9, 2024

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

Signed by the Chief Financial Officer of our Bank

____

Abhilash Sandur

Chief Financial Officer

Place: Bangalore

Date: February 9, 2024

DECLARATION

The undersigned Selling Shareholder confirms and certifies that all statements, disclosures and undertakings specifically made or confirmed by it in this Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any of the statements, disclosures and undertakings, made or confirmed by, or relating to, the Bank, any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED FOR AND ON BEHALF OF CLIENT ROSEHILL LIMITED

____

Authorized Signatory

Name: Varshinee Veerahoo

Designation: Director

Place: Ebene, Mauritius

Date: February 9, 2024

DECLARATION

The undersigned Selling Shareholder confirms and certifies that all statements, disclosures and undertakings specifically made or confirmed by it in this Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any of the statements, disclosures and undertakings, made or confirmed by, or relating to, the Bank, any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED FOR AND ON BEHALF OF CVCIGP II EMPLOYEE ROSEHILL LIMITED

____

Authorized Signatory

Name: Kristee Bhurtun-Jokhoo

Designation: Director

Place: Ebene, Mauritius

Date: February 9, 2024

DECLARATION

The undersigned Selling Shareholder confirms and certifies that all statements, disclosures and undertakings specifically made or confirmed by it in this Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any of the statements, disclosures and undertakings, made or confirmed by, or relating to, the Bank, any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED FOR AND ON BEHALF OF GLOBAL IMPACT FUNDS, S.C.A., SICAR, SUB-FUND GLOBAL FINANCIAL INCLUSION FUND

____

Authorized Signatory

Name: Agustin Vitorica/ Luca Torre

Designation: Manager/ Manager

Place: Luxembourg

Date: February 9, 2024

DECLARATION

The undersigned Selling Shareholder confirms and certifies that all statements, disclosures and undertakings specifically made or confirmed by it in this Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any of the statements, disclosures and undertakings, made or confirmed by, or relating to, the Bank, any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED FOR AND ON BEHALF OF GROWTH PARTNERSHIP II AJAY TANDON CO-INVESTMENT TRUST

____

Authorized Signatory

Name: Padmini Yash Dhuru

Designation: First Trustee of the Trust

____

Authorized Signatory

Name: Alwyn D' Souza

Designation: Second Trustee of the Trust

Place: Mumbai

Date: February 9, 2024

DECLARATION

The undersigned Selling Shareholder confirms and certifies that all statements, disclosures and undertakings specifically made or confirmed by it in this Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any of the statements, disclosures and undertakings, made or confirmed by, or relating to, the Bank, any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED FOR AND ON BEHALF OF GROWTH PARTNERSHIP II SIVA SHANKAR CO-INVESTMENT TRUST

____

Authorized Signatory

Name: Padmini Yash Dhuru

Designation: First Trustee of the Trust

____

Authorized Signatory

Name: Alwyn D’ Souza

Designation: Second Trustee of the Trust

Place: Mumbai

Date: February 9, 2024

DECLARATION

The undersigned Selling Shareholder confirms and certifies that all statements, disclosures and undertakings specifically made or confirmed by it in this Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any of the statements, disclosures and undertakings, made or confirmed by, or relating to, the Bank, any other Selling Shareholder or any other person(s) in this Prospectus.

SIGNED FOR AND ON BEHALF OF HERO ENTERPRISE PARTNER VENTURES

____

Authorized Signatory

Name: Amit Aggarwal & Rakesh Kumar

Designation: Authorized Signatory

Place: New Delhi

Date: February 9, 2024