



(Please scan this QR code to view the Addendum)



CAPITAL SMALL FINANCE BANK LIMITED

Our Bank was incorporated as 'Capital Local Area Bank Limited' on May 31, 1999 at Phagwara district Kapurthala, Punjab, as a public limited company under the Companies Act, 1956, and was granted a certificate of incorporation by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. The name of our Bank was subsequently changed to 'Capital Small Finance Bank Limited' pursuant to a shareholders' resolution dated April 2, 2016, to reflect the change in status of our Bank from a local area bank to a small finance bank pursuant to the Reserve Bank of India approval dated March 4, 2016, and a fresh certificate of incorporation was granted by the Registrar of Companies, Punjab and Chandigarh at Chandigarh ("RoC") on April 15, 2016. Our Bank commenced its business pursuant to a certificate of commencement of business issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh dated August 12, 1999. For further details, see "History and Certain Corporate Matters" on page 177 of the Draft Red Herring Prospectus.

Registered and Corporate Office: MIDAS Corporate Park, 3rd Floor, 37, G.T. Road, Jalandhar 144 001, Punjab, India; **Tel:** +91 181 5051111/2222;

Website: www.capitalbank.co.in; **Contact Person:** Amit Sharma, Company Secretary and Compliance Officer; **E-mail:** cs@capitalbank.co.in;

Corporate Identity Number: U65110PB1999PLC022634

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED OCTOBER 30, 2021 (THE "DRAFT RED HERRING PROSPECTUS"); NOTICE TO INVESTORS (THE "ADDENDUM")

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF CAPITAL SMALL FINANCE BANK LIMITED ("BANK" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 4,500.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 3,840,087 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION (THE "OFFER FOR SALE"), COMPRISING UP TO 337,396 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY PI VENTURES LLP ("PI VENTURES"), UP TO 604,614 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY AMICUS CAPITAL PRIVATE EQUITY I LLP ("ACPE"), UP TO 70,178 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY AMICUS CAPITAL PARTNERS INDIA FUND I ("ACPIF" AND TOGETHER WITH ACPE, "AMICUS") AND UP TO 836,728 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY OMAN INDIA JOINT INVESTMENT FUND II ("OIJIF II"), AND TOGETHER WITH PI VENTURES, ACPE, ACPIF AND OIJIF II, THE "INVESTOR SELLING SHAREHOLDERS"), AND UP TO 1,991,171 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY CERTAIN PERSONS LISTED IN THE DRAFT RED HERRING PROSPECTUS (THE "OTHER SELLING SHAREHOLDERS") (THE INVESTOR SELLING SHAREHOLDERS AND THE OTHER SELLING SHAREHOLDERS, COLLECTIVELY, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR BANK) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WILL CONSTITUTE AT LEAST [●]% AND [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL, RESPECTIVELY.

Potential Bidders may note the following:

- The Draft Red Herring Prospectus contains Restated Financial Information of our Bank as at and for the three months ended June 30, 2021 and June 30, 2020, and as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019. The sections titled "Selected Statistical Information" and "Financial Statements" beginning on pages 208 and 225 respectively, of the Draft Red Herring Prospectus have been updated to provide recent restated financial information of our Bank, as at and for the three months ended June 30, 2022 and June 30, 2021, and as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, restated in accordance with the SEBI ICDR Regulations, which are derived from our audited financial statements as at and for the three months ended June 30, 2022 and June 30, 2021 and as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, prepared by our Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, accounting principles generally accepted in India including accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 to the extent applicable and other relevant provisions of the Companies Act, 2013 and current practices prevailing within the banking industry in India and the requirements prescribed under the Banking Regulation Act, the circulars and guidelines issued by RBI from time to time, through this Addendum. All details in the sections titled, "Selected Statistical Information" and "Financial Statements" from this Addendum will be disclosed appropriately in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges.
- Post filing of the DRHP, there have been certain material updates, including in relation to the management of our Bank. Accordingly, such updates have been included in the section titled "Other Material Updates" on page 99 of this Addendum.

Potential Bidders may note that in order to assist the Bidders to get a complete understanding of the updated information, the updated sections titled "Selected Statistical Information" and "Financial Statements", and certain updated portions of the section titled "Industry Overview" have been included in this Addendum. The above changes are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus, as applicable. Please note that the information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, as may be applicable in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. Investors should read the Red Herring Prospectus as and when filed with the RoC, the SEBI and the Stock Exchanges before making an investment decision in the Offer. All capitalised terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus. 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 may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S under the U.S. Securities Act ("Regulation S")) 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 are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S.

For and on behalf of Capital Small Finance Bank Limited

Sd/-

Amit Sharma

Company Secretary and Compliance Officer

Place: Jalandhar

Date: September 12, 2022

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

 <p>Edelweiss Financial Services Limited 6th Floor, Edelweiss House Off C.S.T Road, Kalina Mumbai 400 098 Maharashtra, India Tel: +91 22 4009 4400 E-mail: capitalsfb ipo@edelweissfin.com Website: www.edelweissfin.com Investor Grievance ID: customerservice.mb@edelweissfin.com Contact Person: Manish Tejwani SEBI Registration Number: INM0000010650</p>	 <p>Axis Capital Limited Axis House, 1st floor C-2 Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183 E-mail: capitalsfb.ipo@axiscap.in Website: www.axiscapital.co.in Investor Grievance ID: complaints@axiscap.in Contact Person: Ankit Bhatia SEBI Registration Number: INM000012029</p>	 <p>SBI Capital Markets Limited* 202, Market Tower 'E' Cuffe Parade, Mumbai 400 005 Maharashtra, India Tel: +91 22 2217 8300 E-mail: capitalsfb.ipo@sbicaps.com Website: www.sbicaps.com Investor Grievance ID: investor.relations@sbicaps.com Contact Person: Aditya Deshpande SEBI Registration Number: INM000003531</p>	 <p>Link Intime India Private Limited C-101, 1st Floor 247 Park Lal Bahadur Shastri Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 E-mail: capitalsfb.ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance ID: capitalsfb.ipo@linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration Number: INR000004058</p>
BID/ OFFER SCHEDULE			
BID/ OFFER OPENS ON	[●] ⁽¹⁾	BID/ OFFER CLOSES ON	[●] ⁽²⁾

* OIJIF II is proposing to participate as a Selling Shareholder in the Offer for Sale. SBICAP has signed the due diligence certificate and has been disclosed as a BRLM for the Offer. OIJIF II and SBICAP are associates in terms of the SEBI Merchant Bankers Regulations. Accordingly, in compliance with the proviso to Regulation 21A(1) of the SEBI Merchant Bankers Regulations read with Regulation 23(3) of the SEBI ICDR Regulations, SBICAP would be involved only in the marketing of the Offer.

- Our Bank may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid shall be one Working Day prior to the Bid/ Offer Opening Date.
- Our Bank may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

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INDUSTRY OVERVIEW

All information in this section is sourced from the Report on Small Finance Banks and various loan products dated September 2022 (“**CRISIL Research Report**”), prepared by CRISIL Research (“**CRISIL**”), a division of CRISIL Limited, which was commissioned and paid for by us for the purposes of the Offer and is available at the following weblink <https://www.capitalbank.co.in/investor-relations>. The CRISIL Research Report is subject to the disclaimer set out in “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 21 of the Draft Red Herring Prospectus. We officially engaged CRISIL for the purposes of commissioning the CRISIL Research Report pursuant to an engagement letter dated August 16, 2021. Except as noted otherwise, all forward looking statements, estimates and projections in this section are CRISIL’s forward looking statements, estimates and projections. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Research Report and included herein with respect to any particular year, refers to such information for the relevant year.

Peer benchmarking

Capital SFB already had its presence across the retail liability and asset side on account of operating as a local area bank before converting to a small finance bank. As a result of the same, its retail franchise and reach had already been established across the current and savings deposits as well as retail term deposits placing it in good stead as against other small finance banks. For Capital SFB, the base is already present and further improvements on top of the same can help it grow faster.

In terms of the retail lending operations as well, Capital SFB is well diversified with product knowledge and experience across various asset classes. In comparison, SFBs which are primarily focused on MFI lending, could find it more difficult to penetrate into other products as the knowledge has to be built from scratch and the entire operational cost has to be borne to be set up from base across asset classes. Thus, for Capital SFB the products, systems and processes are already in place since it had been operating as a local area bank and is in a good position to scale up its operations across different geographies.

The below analysis is done on the reported numbers for fiscal 2022.

Capital SFB has the lowest cost of funds among SFB players

Capital SFB’s cost of funds at 5.22% was the lowest among all SFBs for fiscal 2022. AU SFB has the second lowest cost of funds at 5.29% in fiscal 2022.

Capital SFB has the highest proportion of retail deposits and second highest proportion of CASA amongst the peers

At end of fiscal 2022, Capital SFB has highest proportion of retail deposits at 97.4% followed by Equitas SFB (89.4%) and Fincare (82.2%). In terms of CASA deposits, Capital SFB has the second-best CASA ratio of 42.2%, only after Equitas SFB with a CASA ratio of 52.0%.

Capital SFB has the highest proportion of deposit in overall borrowing amongst the peers despite offering lowest interest rates

In terms of proportion of deposit in overall borrowings, Capital SFB has the highest proportion of deposit in overall borrowing at 92.4% in fiscal 2022. It is followed by Ujjivan SFB at 91.2% in the same time frame. Capital SFB is the lowest interest paying SFB where-in its rate of interest for retail term deposits inches up to only 6.60% whereas others offer a higher rate across some of the tenors in retail deposits.

Capital SFB has the most granular deposit base as compared to other SFBs

At end of fiscal 2022, Capital SFB has most granular deposit base with concentration of top 20 depositors accounting to 4.73% of overall deposits. It is followed by Jana SFB at 13.19% and Equitas SFB at 13.84%. This shows that Capital SFB has the lowest concentration risk in terms of deposits.

Capital SFB has lowest cost of deposit as compared to other SFB

At end of fiscal 2022, Capital SFB has lowest cost of deposit (5.07%) followed by AU SFB (5.11%) and North East SFB (5.64%).

99.70% of Capital SFBs AUM is secured

Capital SFB has highest proportion of secured lending as compared to other SFB players. Also, the collection efficiency at the end of March 2022 is very high at 99%.

Capital SFB has the highest liquidity on its balance sheet

Capital SFB has the highest proportion cash and bank balances as a % of total assets on its balance sheet indicating that it has

low dependency on external funds or borrowing to cater to its short to medium term assets side needs and can deploy the excess liquidity for growth in its loan book.

Lending details of SFBs as end-fiscal 2022

(%)	Liquidity – cash and bank balance to total assets
AU SFB	8.6%
Equitas SFB	7.9%
Ujjivan SFB	9.2%
Jana SFB	7.6%
ESAF SFB	8.5%
Utkarsh SFB	12.4%
Fincare SFB	11.3%
Suryoday SFB	12.0%
Capital SFB	14.2%
North East SFB	4.3%

Note: Liquidity is calculated as cash and bank balances divided by total assets

Source: Company reports, CRISIL Research

Profitability of SFB players

Capital SFB has the second highest Return on Equity (RoE) and third highest Return on Assets (RoA) in fiscal 2022 amongst the peer set

In terms of RoE, AU SFB has the highest return on equity in fiscal 2022 at 16.56%. Capital Small Finance Bank has the next highest RoE at 13.00% in fiscal 2022. In terms of Return on Assets, AU SFB has the highest RoA at 1.87% followed by Equitas Small Finance Bank (1.09%) and Capital Small Finance Bank (0.93%) in fiscal 2022.

Capital SFB has the lowest OPEX (as % of average assets) among SFBs

Capital SFB has lowest operating cost of 2.90% (as a % of average assets) followed by AU SFB (4.00%) and Utkarsh SFB (5.41%) in fiscal 2022.

Profitability of players in fiscal 2022

Players	Yield on advances (%)	Cost of funds (%)	Advances to Total Assets (%)	Gross Spread (%)	NIMs (%)	NII Growth (%) (FY21-22)	Opex (% of average assets)	Opex (% of average advances)	Cost to income (%)	RoE (%)	RoA (%)
AU SFB	12.10%	5.29%	66.73%	6.81%	5.36%	36.7%	4.00%	5.98%	57.07%	16.56%	1.87%
Equitas SFB	17.33%	6.75%	71.88%	10.59%	7.89%	13.4%	6.60%	9.41%	66.12%	7.35%	1.09%
Ujjivan SFB	16.73%	5.70%	69.07%	11.03%	8.07%	2.6%	6.80%	9.72%	71.68%	-13.97%	-1.89%
Jana SFB	22.15% **	7.58%	64.43%	14.57%	7.08%	10.0%	5.80%	9.25%	66.46%	0.46%	0.03%
ESAF SFB	19.59% **	5.99%	65.72%	13.60%	7.64%	24.5%	5.74%	8.71%	63.69%	3.97%	0.36%
Utkarsh SFB	17.85%	6.92%	67.90%	10.92%	7.80%	26.4%	5.41%	7.98%	59.11%	4.18%	0.45%
Fincare SFB	21.45%	7.07%	64.52%	14.38%	9.28%	25.0%	6.85%	10.49%	60.01%	0.80%	0.09%
Suryoday SFB	18.72%	6.31%	58.08%	12.40%	7.85%	42.4%	5.55%	9.46%	60.93%	-6.00%	-1.25%
Capital SFB	10.46%	5.22%	64.79%	5.24%	3.77%	28.5%	2.90%	4.69%	63.42%	13.00%	0.93%
North East SFB	17.65%	6.36%	69.18%	11.29%	8.33%	9.8%	6.16%	8.66%	68.85%	-38.16%	-5.34%

Note: * Cost of borrowing is calculated on total borrowings (borrowing + deposits), Credit costs is calculated as Provisions on average assets, Opex is calculated as operating expense on average assets; Gross Spread is calculated as difference in yields and cost of funds, ** Total interest income is considered for calculation, Source: Company reports, CRISIL Research

Capital SFB has lowest credit cost among SFBs

Capital SFB has lowest credit cost of 0.42% (as a % of average assets) and 0.69% (as a % of average advances) in fiscal 2022 followed by AU SFB which has credit cost of 0.60% and 0.89% respectively in fiscal 2022.

Profitability of SFB players for fiscal 2022

Players	Total income (In Rs million)	PPOP (In Rs. Million)	Credit Cost / Provisioning # (In Rs. Million)	PAT (in Rs million)	Fee income to Total asset	Credit cost to average assets (%)	Credit cost to average advances (%)
AU SFB	69,160	18,150	3,610	11,300	0.9%	0.60%	0.89%
Equitas SFB	39,980	8,730	4,938	2,810	0.1%	1.91%	2.73%
Ujjivan SFB	31,260	5,910	11,408	-4,146	0.7%	5.19%	7.41%
Jana SFB	30,503	5,747	5,693	54	1.2%	2.90%	4.63%
ESAF SFB	21,475	4,919	4,180	547	0.5%*	2.78%	4.22%
Utkarsh SFB	20,336	5,093	4,132	615	0.4%	3.04%	4.48%
Fincare SFB	16,477	4,311	4,253	89	0.9%	4.51%	6.89%
Suryoday SFB	10,354	2,650	3,920	-930	0.7%	5.26%	8.98%
Capital SFB	6,324	1,132	287	626	0.6%	0.42%	0.69%
North east SFB	3,284	643	1,875	-1,232	0.5%	8.13%	11.42%

Note: Credit costs to average advances is calculated as Provisions on average advances, (*) Data as of fiscal 2021, (#) Provisions (other than tax) and contingencies

Source: Company reports, CRISIL Research

Capital SFB has one of the best asset quality amongst peers

Capital SFB has GNPA of 2.5% and NNPA of 1.4% which is one of the lowest among SFB players in fiscal 2022. AU SFB has the lowest GNPA of 2.0% and NNPA of 0.5% in fiscal 2022. Capital SFB has had the lowest write-offs amongst the players on account of large proportion of loan book being secured. Also, Capital SFB has maintained highest liquidity ratio of 229.2%. Capital SFB also has the lowest slippage ratio amongst the SFBs in fiscal 2022.

Non-performing asset of SFB players for fiscal 2022

Players	Provision Coverage Ratio (%)	Liquidity Coverage Ratio (%)	Capital Adequacy Ratio (%)	GNPA (%)	NNPA (%)	Write- offs as a % of loan book	Slippage ratio	Restructured book as % of advances
AU SFB	75.0%	125.0%	19.3%	2.0%	0.5%	0.4%	4.2%	2.5%
Equitas SFB	58.6%	134.0%	25.2%	4.1%	2.4%	1.9%	8.2%	9.2%
Ujjivan SFB	92.0%	152.0%	19.0%	7.1%	0.6%	4.8%	14.4%	5.2%
Jana SFB	32.2%**	NA	15.3%	5.7%	3.9%	4.5%	11.2%	2.7%
ESAF SFB	49.9%**	132.4%*	18.6%	7.8%	3.9%	0.0%^	7.2%^	4.7%
Utkarsh SFB	63.6%	173.4%	21.6%	6.1%	2.3%^	2.1%	8.0%	1.3%
Fincare SFB	44.0%	206.0%	22.3%	7.8%	3.6%	0.6%^	7.4%^	5.3%
Suryoday SFB	49.2%**	223.0%*	37.9%	11.8%	6.0%	4.9%	13.5%	10.7%
Capital SFB	46.0%	229.2%	18.6%	2.5%	1.4%	0.0%	2.1%	2.90%
North east SFB	79.4%	147.0%	10.9%	11.7%***	NA	4.9%	5.9%	NA

Note: ** Provision coverage ratio is calculated as (GNPA-NNPA)/GNPA; ^ Data is as of March 2021; * Data is as of December 2021; *** As of December 2021, ^^ Includes contingency provision of Rs. 65 crore (0.6% of advances), Restructured book as % of advances calculated as restructured book divided by advances, NA – Not Available, Source: Company reports, CRISIL Research

Capital SFB has the second highest retail deposits per branch and 2nd highest outstanding advances per branch

Capital SFB has Rs 287.9 million of outstanding advances per branch which is 2nd highest among SFB players behind only AU SFB which has outstanding advances per branch of Rs 501.6 million as of fiscal 2022.

In terms of retail deposits per branch, Capital SFB has the second highest value of Rs 365.7 million in fiscal 2022. AU SFB has the highest retail deposit per branch of Rs. 380.1 million as of fiscal 2022. Capital SFB has the 2nd highest total business per branch worth Rs 653.5 million behind only AU SFB having total business of Rs 881.7 million per branch as of fiscal 2022.

Per branch comparison (FY22)

(Rs Million)	Banking outlets (***) (FY22)	Revenue per branch	Outstanding advances per branch	Retail deposit per branch	CASA deposits per branch	Opex per branch	Total business per branch
AU SFB	919	75.3	501.6	380.1	211.7	26.3	881.7

Equitas SFB	869	46.0	222.9	195.0	113.4	19.6	418.0
Ujjivan SFB	575	54.4	283.5	172.5	86.8	26.0	456.1
Jana SFB	700	43.6	185.8	NA	NA	16.3	NA
ESAF SFB	555\$	38.7^	209.7^	159.1*	31.6*	15.5^	209.7^
Utkarsh SFB	686	29.6	149.1	87.6	32.8	10.7	149.1
Fincare SFB	919	17.9	76.6	57.7	NA	7.0	76.6
Suryoday SFB	565	18.3	84.1	53.2	12.8	7.3	137.3
Capital SFB	161	39.3	287.9	365.7	158.3	12.2	653.5
North East SFB	216^^	15.2**	75.3**	NA	NA	6.6**	NA

Note: (*) Data for fiscal 2021, (**) Branches as of 28th February 2022, (***) Banking outlets including bank branches, ultra-small branches and asset centres as reported by the players, \$ Data as of December 2021, For calculating total business per branch, advances + retail deposits have been used (^) Branches as of December 2021, ^^As of 28th February 2022, Source: Company reports, CRISIL Research

Capital SFB has the highest retail deposits and total business per employee as well as outstanding advances per employee

Capital SFB has retail deposits worth Rs 35.8 million per employee which is the highest amongst the considered peer set as of fiscal 2022. It is also highest in terms of total business per employee with Rs 64.0 million. Capital SFB is 2nd highest in terms of income per employee with Rs. 3.8 million revenue per employee behind only ESAF SFB which has Rs. 4.6 million revenue per employee. It is the highest in terms of outstanding advances per employee with Rs 28.2 million advances per employee in fiscal 2022.

Per employee comparison (FY22)

(Rs Million)	No. of employees	Income per employee	Outstanding advances per employee	Retail deposit per employee	Total business per employee
AU SFB	27,817	2.5	16.6	12.6	29.1
Equitas SFB	17,607	2.3	11.0	9.6	20.6
Ujjivan SFB	16,895	1.9	9.6	5.9	15.5
Jana SFB	16,768^	1.8^	7.8^	NA	NA
ESAF SFB	3,803*	4.6*	21.5*	23.1*	44.6*
Utkarsh SFB	12,617	1.6	8.1	4.8	12.9
Fincare SFB	11,733	1.4	6.0	4.5	10.5
Suryoday SFB	5,252	2.0	9.0	5.7	14.8
Capital SFB	1,644	3.8	28.2	35.8	64.0
North East SFB	2,025*	1.6*	8.2*	NA	NA

(^) Employees Data as of 28th February 2021, (*) Data as of fiscal 2021, Source: Company reports, CRISIL Research

Product mix

Capital SFB has the most diversified portfolio among peers, with book size in multiple asset classes as of fiscal 2022. Most of the SFBs are pure MFI turned SFB, and hence still have a huge concentration in MFI products whereas Capital SFB has about 23% of portfolio concentration towards MSME whereas Agriculture accounts for 38% of portfolio and 24% of portfolio accounts for Mortgages and 15% accounts for consumer lending and NBFC lending.

Product mix of all SFBs and banks (as of end-fiscal 2022)

	Micro Finance	Vehicle/Auto Loans	Mortgage loans	MSME Finance	Large & mid-corporate loans	Gold loans	Agriculture	Others
AU SFB	-	36%	6%	35%	17%	-	-	6%
Equitas SFB	19%	25%	-	52%	4%	-	-	1%
Ujjivan SFB	67%	-	15%	9%	-	-	-	9%
ESAF SFB*	85%	-	-	-	5%	-	-	10%
Utkarsh SFB	75%	2%	3%	8%	9%	-	-	3%
Fincare SFB	76%	-	12%	-	-	6%	-	6%
Suryoday SFB	67%	7%	9%	5%	-	-	-	13%
Capital SFB	-	-	24%	23%	-	-	38%	15%

Note: * Data is as of March 2021

Source: Company reports, CRISIL Research

Geography Mix of SFBs

Capital SFB has focused more in rural and semi-urban areas

North east SFB has highest branch concentration towards Rural and Semi-urban areas followed by Capital SFB. Also, both the SFB's have very minimal presence/No presence in Metropolitan areas.

Region-wise functioning offices (FY22)

	Rural	Semi-urban	Urban	Metropolitan
AU SFB	12%	37%	27%	24%
Equitas SFB	10%	34%	33%	23%
Ujjivan SFB	21%	27%	30%	21%
Jana SFB	17%	13%	33%	37%
ESAF SFB	12%	57%	19%	12%
Utkarsh SFB	26%	36%	21%	17%
Fincare SFB	12%	58%	22%	8%
Suryoday SFB	23%	36%	21%	19%
Capital SFB	43%	30%	21%	5%
North East SFB	51%	38%	11%	0%

Source: RBI, CRISIL Research

Comparison of Capital SFB with private banks in India

Capital SFB has the fifth highest growth in deposit in comparison with private sector banks

Bandhan bank has the highest growth in deposits at 30% between fiscal 2020 to fiscal 2022. Capital SFB has 97% retail deposits, which is the second best amongst all private sector banks for whom data is available. Capital SFB, despite being an SFB has CASA ratio which is similar to some of the leading private sector banks like HDFC Bank, Axis Bank, ICICI Bank.

Private Players comparison

(Rs Billion)	Total Deposits-FY22	Growth in deposits (FY20-FY22)	CASA (%)	Retail Deposit (%)	Interest rate offered on Savings Account***	Highest Interest rate offered on retail TD**
HDFC Bank	15,592	17%	48.20%	81%	3.00%	6.10%
ICICI Bank	10,646	18%	48.70%	NA	3.00%	6.10%
Axis Bank	8,217	15%	45.00%	80%	3.00%	5.75%
Kotak Mahindra Bank	3,101	9%	60.99%	89%	3.50%	5.90%
IndusInd Bank	2,937	21%	42.70%	NA	3.50% ^	6.75%
IDBI Bank	2,331	2%	56.77%	95%	3.00%	5.80%
Federal Bank	1,817	9%	36.94%	94%	2.40%	6.10%
Jammu & Kashmir Bank	1,147	8%	56.55%	NA	2.90%	5.55%
IDFC First Bank	1,056	27%	48.44%	64%	4.00% ^	5.90%
South Indian Bank	891	4%	33.21%	96%	2.50% ^	5.85%
Bandhan Bank	963	30%	41.61%	77%	3.00% ^	7.00%
Karnataka Bank	804	6%	32.97%	100%	2.75% ^	5.70%
RBL Bank	790	17%	35.29%	39%	4.25% ^	6.75%
Karur Vysya Bank	687	8%	34.81%	NA	2.25% ^	6.35%
City Union Bank	477	8%	32.56%	NA	3.00% ^	5.55%
DCB Bank	347	7%	26.75%	72%	2.25% ^	6.60%
CSB Bank	202	13%	33.66%	0%	2.10% ^	6.00%
Nainital Bank	75	-1%	NA	NA	2.85%	5.75%
Capital SFB	60	17%	42.16%	97%	3.50% ^	6.60%

Highest rate of interest on TD is considered for all time periods, * Interest Rate for Savings Account with balance up to Rs. 50 lakhs as of August 2022, ^ Interest Rate for Savings Account with balance up to Rs. 1 lakh as of August 2022

Source: Company reports, CRISIL Research

In comparison with private banks, Capital SFB has one of the best levels of write-off as a % of loan book

In fiscal 2022, HDFC bank has lowest GNPA of 1.2% followed by CSB Bank which has GNPA of 1.8%. Also, Capital SFB has very low write-offs in fiscal 2022 which is 0.0% of loan book, one of the lowest compared to all the private sectors banks.

NPA of Private banks

(Rs Billion)	GNPA (%)	Write-offs as a % of loan book
Axis Bank	2.8%	0.0%
Bandhan Bank	6.5%	1.2%
City Union Bank	4.7%	1.5%
CSB Bank	1.8%	0.6%
DCB Bank	4.3%	0.3%
Federal Bank	2.8%	0.6%
HDFC Bank	1.2%	0.7%
ICICI Bank	3.6%	1.2%

IDBI Bank	19.1%	2.0%
IDFC First Bank	2.6%	3.6%
IndusInd Bank	2.3%	1.8%
Jammu & Kashmir Bank	5.3%	1.1%
Karnataka Bank	3.9%	0.1%
Karur Vysya Bank	6.0%	1.5%
Kotak Mahindra Bank	2.3%	0.4%
Nainital Bank	12.1%	3.1%
RBL Bank	4.4%	0.8%
South Indian Bank	5.9%	1.1%
Capital SFB	2.5%	0.0%

Source: Company reports, CRISIL Research

As per the CRISIL Research analysis, it seems that the SFBs already having experience with the products across asset and liability side are better off in comparison to others on account of accumulated knowledge, systems and can going ahead focus on expansion with removal of geographical barriers. Additionally, a lot of these banks have increasingly invested in digital initiatives like digital only savings accounts and fixed deposits on DIY models with digital KYC, virtual RMs, phygital model for asset side products, etc. These products or suites became more relevant in the pandemic helping the SFBs reduce physical touch points. Usage of analytics for cross sell, appraisal, penetration of various products etc. are some additional digital initiatives finding use amongst these banks and have significantly helped them bring down costs and enhance the offering to their customers.

The presence of digital ID and the proliferation of mobile phones in addition to the foray of world class payment systems in the country have been utilised extensively by the SFBs either through in-house development or with tie-ups with third party fintechs etc. Many of these banks have digital transactions to the tune of more than ~50% of their overall transactions and are further seeing them rise.

List of formulae

Parameters	Formula
RoA	Profit after tax / average of total assets on book
RoE	Profit after tax / average net worth
NIM	(Interest income – interest paid) / average of total assets on book
Cost to income	Operating expenses / (net interest income + other income)
Cost of funds	Interest paid / (average of deposits and borrowings)
Non-interest income	(Total income – interest income)/ average of total assets on book
PPOP	Total Income – Interest Expense – Operating expense
Credit cost	Provisions / average of total assets on book
Credit to Deposit Ratio	Advances / Deposit
Fee income to Total asset	Fee Income / Average total assets
Slippage Ratio	Additions to Gross NPAs during the year / advances of previous year (at beginning of the year)

SELECTED STATISTICAL INFORMATION

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. 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 and other statistical and operational information 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.

Average Balance Sheet, Interest Earned/Expended and Yield/Cost

The tables below present the average balances for interest-earning assets and interest-bearing liabilities of our Bank together with the related interest income and expense amounts, resulting in the presentation of the average yields and cost for each period. The average yield on average assets is the ratio of interest income to average interest-earning assets. The average cost on average interest-bearing liabilities is the ratio of interest expense to average interest-bearing liabilities.

(₹ in million, except percentages)

	As at and for the					
	Quarter ended June 30, 2022			Quarter ended June 30, 2021		
	Average Balance [A]	Interest Earned/ Expended [B]	Yield/ Cost (%) [C = B/A]	Average Balance [A]	Interest Earned/ Expended [B]	Yield/ Cost (%) [C = B/A]
Interest-earning assets:						
Advances	45,913.50	1,171.26	10.20%	36,375.60	1,001.53	11.01%
Investments	13,874.40	236.23	6.81%	11,829.40	208.92	7.06%
Interbank placement	6,287.00	99.35	6.32%	6,644.60	106.27	6.40%
Others	1,607.80	17.99	4.48%	5,460.60	47.64	3.49%
Total interest earning assets	67,682.70	1,524.83	9.01%	60,310.20	1,364.36	9.05%
Non-interest-earning assets:						
Fixed assets	856.11	-	-	863.80	-	-
Other assets	3,391.89	-	-	3,086.00	-	-
Total non-interest-earning assets	4,248.00	-	-	3,949.80	-	-
Total assets	71,930.70	-	-	64,260.00	-	-
Interest-bearing liabilities:						
CASA	26,080.98	209.09	3.21%	21,953.01	181.72	3.31%
Term Deposits	34,898.33	524.89	6.02%	31,844.89	513.62	6.45%
Total Deposits	60,979.30	733.98	4.81%	53,797.90	695.34	5.17%
Borrowings	5,231.40	92.24	7.05%	5,358.20	98.53	7.36%
Total interest-bearing liabilities	66,210.70	826.22	4.99%	59,156.10	793.87	5.37%
Non-interest-bearing liabilities:						
Capital and reserves	5,331.84	-	-	4,602.10	-	-
Other liabilities	388.16	-	-	501.80	-	-
Total non-interest-bearing liabilities	5,720.00	-	-	5,103.90	-	-
Total liabilities	71,930.70	-	-	64,260.00	-	-

(₹ in million, except percentages)

	As at and for the								
	Year ended March 31, 2022			Year ended March 31, 2021			Year ended March 31, 2020		
	Average Balance [A]	Interest Earned/ Expended [B]	Yield/ Cost (%) [C = B/A]	Average Balance [A]	Interest Earned/ Expended [B]	Yield/ Cost (%) [C = B/A]	Average Balance [A]	Interest Earned/ Expended [B]	Yield/ Cost (%) [C = B/A]
Interest-earning assets:									
Advances	40,139.30	4,373.02	10.89%	33,090.00	3,724.31	11.26%	28,587.70	3,306.60	11.57%
Investments	12,401.70	860.23	6.94%	12,268.80	846.81	6.90%	10,085.00	729.05	7.23%
Interbank placement	6,183.10	387.1	6.26%	5,738.20	423.25	7.38%	5,529.60	499.96	9.04%
Others	4,532.20	161.83	3.57%	3,482.70	120.02	3.45%	950.40	45.74	4.81%
Total interest earning assets	63,256.30	5,782.18	9.14%	54,579.70	5,114.39	9.37%	45,152.70	4,581.35	10.15%
Non-interest-earning assets:									
Fixed assets	845.16	-	-	888.90	-	-	897.17	-	-
Other assets	3,472.34	-	-	2,975.60	-	-	2,930.53	-	-

	As at and for the								
	Year ended March 31, 2022			Year ended March 31, 2021			Year ended March 31, 2020		
	Average Balance [A]	Interest Earned/ Expended [B]	Yield/ Cost (%) [C = B/A]	Average Balance [A]	Interest Earned/ Expended [B]	Yield/ Cost (%) [C = B/A]	Average Balance [A]	Interest Earned/ Expended [B]	Yield/ Cost (%) [C = B/A]
Total non-interest-earning assets	4,317.50	-	-	3,864.50	-	-	3,827.70	-	-
Total assets	67,573.80	-	-	58,444.20	-	-	48,980.40	-	-
Interest-bearing liabilities:									
CASA	23,611.93	764.51	3.24%	19,012.50	660.58	3.47%	15,630.09	554.53	3.55%
Term Deposits	33,219.67	2,089.70	6.29%	30,002.80	2,122.56	7.07%	25,966.91	1,983.86	7.64%
Total Deposits	56,831.60	2,854.21	5.02%	49,015.30	2,783.14	5.68%	41,597.00	2,538.39	6.10%
Borrowings	5,292.20	375.15	7.09%	4,603.50	345.14	7.50%	3,707.40	316.73	8.54%
Total interest-bearing liabilities	62,123.80	3,229.36	5.20%	53,618.80	3,128.28	5.83%	45,304.40	2,855.12	6.30%
Non-interest-bearing liabilities:									
Capital and reserves	4,827.37	-	-	4,258.38	-	-	3,329.43	-	-
Other liabilities	622.63	-	-	567.02	-	-	346.57	-	-
Total non-interest-bearing liabilities	5,450.00	-	-	4,825.40	-	-	3,676.00	-	-
Total liabilities	67,573.80	-	-	58,444.20	-	-	48,980.40	-	-

Notes:

1. Average balances of all interest earning assets and interest bearing liabilities represent average of daily outstanding balances.
2. Average for non-interest earning assets and non-interest bearing liabilities represent average of month end outstanding balances for the given period.
3. Interest earned on advances includes interest on advances net of NPAs interest reversals. Interest earned on investments includes interest earned on government securities, treasury bills, cash management bill, bonds and other securities. Interest earned on interbank placements include interest on interbank deposits and interest earned on others include interest earned on money at call and short notice, reverse repo and others.
4. Interest expended comprises interest expended on deposits and borrowings.
5. Yield/Cost is calculated as interest earned/expended divided by the average balance.
6. Borrowings include borrowing from the other banks & institutions, refinance from SIDBI & NABARD and Tier II debt instruments.
7. CASA includes outstanding balances of current deposits and saving deposits as at the end of the periods
8. Other assets include cash in hand, balance with the Reserve Bank of India in current account, balances with banks in current accounts and other non-interest earning assets.
9. Other liabilities include bills payable, interest accrued on deposits, provision on NPAs and standard assets and other non-interest bearing liabilities.

Analysis of Changes in Interest Earned and Interest Expended by Volume and Rate

The following tables set forth the analysis of the changes in our Bank's interest earned and interest expended between average volume and changes in rates.

(₹ in million, except percentages)

	Year ended March 31, 2022 vs Year ended March 31, 2021		
	Net Changes in Interest	Change in Average Volume	Change in Average Rate
Interest earned:			
Advances	648.71	767.99	(119.28)
Investments	13.42	9.22	4.20
Interbank placements	(36.15)	27.85	(64.00)
Others	41.81	37.47	4.34
Total interest earned [A]	667.79	842.54	(174.75)
Interest expended:			
Deposits	71.07	392.55	(321.48)
Borrowings	30.01	48.82	(18.81)
Total interest expended [B]	101.08	441.37	(340.29)
Net Interest Income [A-B]	566.71	401.17	165.54

	Year ended March 31, 2021 vs Year ended March 31, 2020		
	Net Changes in Interest	Change in Average Volume	Change in Average Rate
Interest earned:			
Advances	417.71	506.74	(89.03)
Investments	117.76	150.73	(32.97)
Interbank placements	(76.71)	15.39	(92.10)
Others	74.27	87.26	12.99
Total interest earned [A]	533.03	760.12	(227.09)
Interest expended:			
Deposits	244.75	421.22	(176.47)
Borrowings	28.41	67.18	(38.77)
Total interest expended [B]	273.16	488.40	(215.24)
Net Interest Income [A-B]	259.87	271.72	(11.84)

Notes:

1. The changes in interest earned, interest expended and Net Interest Income between the periods have been reflected as attributed either to volume or rate changes. For purposes of this table, changes that are due to both volume and rates have been allocated solely to changes in rate.
2. Change in average volume is computed as the increase in average balances for the year multiplied by yield/cost for Fiscal 2022 and Fiscal 2021, as the case may be.

3. Change in average rate represents the average balance for Fiscal 2022 and Fiscal 2021, as the case may be, multiplied by change in rates during the respective year during the relevant year.
4. Other includes interest earned and money at call at short notice, reverse repo etc.

Yields, Interest Spread, Cost of Funds and Net Interest Margin

The following tables set forth, for the periods indicated, the yields, spreads and interest margins on the Bank's interest-earning assets. Unless otherwise indicated average balances are the averages for the period

(₹ in million, except percentages)

	Quarter ended June 30, 2022	Quarter ended June 30, 2021
Interest earned ⁽¹⁾ [A]	1,524.83	1,364.36
Of which:		
Interest/discount earned on advances/bills [B]	1,171.26	1,001.53
Interest expended ⁽²⁾ [C]	826.22	793.87
Of which:		
Interest expended on Deposits[D]	733.98	695.34
Net Interest Income [E =A-C]	698.61	570.49
Average Interest-Earning Advances ⁽³⁾ [F]	45,913.5	36,375.60
Average Total Interest-Earning Assets ⁽⁴⁾ [G]	67,682.70	60,310.20
Average Total Assets [H]	71,930.70	64,260.00
Average total Deposits [I]	60,979.30	53,797.90
Average Total Interest-Bearing Liabilities ⁽⁵⁾ [J]	66,210.70	59,156.10
Average Total Interest-Earning Assets as a percentage of Average Total Interest-Bearing Liabilities [K = G/J]	102.22%	101.95%
Average Interest-Earning Advances as a percentage of Average Total Assets [L = F/H]	63.83%	56.61%
Average Total Interest-Earning Assets as a percentage of Average Total Assets [M = G/H]	94.09%	93.85%
Average Total Interest-Bearing Liabilities as a percentage of Average Total Assets [N = J/H]	92.05%	92.06%
Yield on Average Total Interest-Earning Assets [O = A/G]	9.01%	9.05%
Yield on Average Interest-Earning Advances [P = B/F]	10.20%	11.01%
Cost of deposit[Q=D/I]	4.81%	5.17%
Interest spread[R=P-Q]	5.39%	5.84%
Net Interest Margin (%) [R = E/H]	3.88%	3.55%
Cost of funds ⁽⁶⁾	4.99%	5.37%

Notes:

1. Interest earned includes interest earned on Advances, investments and others.
2. Interest expended includes interest expended on deposits and borrowings.
3. Average interest earnings advances represent average of daily balances of advances for the period.
4. Average total interest earning assets include average balances of advances, Investments and other interest earning assets.
5. Average interest-bearing liabilities includes average of daily balances of deposits and borrowings.
6. Cost of fund is interest expanded on average interest-bearing liabilities.

(₹ in million, except percentages)

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Interest earned ⁽¹⁾ [A]	5,782.18	5,114.39	4,581.35
Of which:			
Interest/discount earned on advances/bills [B]	4,373.02	3,724.31	3,306.60
Interest expended ⁽²⁾ [C]	3,229.36	3,128.28	2,855.12
Of which:			
Interest expended on Deposits[D]	2,854.21	2,783.14	2,538.39
Net Interest Income [E =A-C]	2,552.82	1,986.11	1,726.23
Average Interest-Earning Advances ⁽³⁾ [F]	40,139.30	33,090.00	28,587.70
Average Total Interest-Earning Assets ⁽⁴⁾ [G]	63,256.30	54,579.70	45,152.70
Average Total Assets [H]	67,573.80	58,444.20	48,980.40
Average total Deposits [I]	56,831.60	49,015.30	41,597.00
Average Total Interest-Bearing Liabilities ⁽⁵⁾ [J]	62,123.80	53,618.80	45,304.40
Average Total Interest-Earning Assets as a percentage of Average Total Interest-Bearing Liabilities [K = G/J]	101.82%	101.79%	99.67%
Average Interest-Earning Advances as a percentage of Average Total Assets [L = F/H]	59.40%	56.62%	58.37%
Average Total Interest-Earning Assets as a percentage of Average Total Assets [M = G/H]	93.61%	93.39%	92.19%
Average Total Interest-Bearing Liabilities as a percentage of Average Total Assets [N = J/H]	91.93%	91.74%	92.49%
Yield on Average Total Interest-Earning Assets [O = A/G]	9.14%	9.37%	10.15%
Yield on Average Interest-Earning Advances [P = B/F]	10.89%	11.26%	11.57%
Cost of deposit[Q=D/I]	5.02%	5.68%	6.10%
Interest spread[R=P-Q]	5.87%	5.58%	5.47%
Net Interest Margin [R = E/H]	3.78%	3.40%	3.52%
Cost of funds	5.20%	5.83%	6.30%

Notes:

1. Interest earned includes interest earned on Advances, investments and others.
2. Interest expended includes interest expended on deposits and borrowings.
3. Average interest earnings advances represent average of daily balances of advances for the period.
4. Average total interest earning assets include average balances of advances, Investments and other interest earning assets.
5. Average interest-bearing liabilities includes average of daily balances of deposits and borrowings.
6. Cost of fund is interest expended on average interest-bearing liabilities.

Financial Ratios of our Bank**I. Ratios on Average total assets:**

The following tables set forth important ratios of the Bank on average total assets for the periods indicated

	For the Quarter ended June 30, 2022	For the Quarter ended June 30, 2021	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest Spread ⁽¹⁾	5.39%	5.84%	5.87%	5.58%	5.47%
Net Interest Margin ⁽²⁾	3.88%	3.55%	3.78%	3.40%	3.52%
Non-interest Income ⁽³⁾	0.58%	0.68%	0.80%	0.78%	0.88%
Net total Income ⁽⁴⁾	4.46%	4.23%	4.58%	4.18%	4.40%
Operative expenses ⁽⁵⁾	2.87%	2.83%	2.90%	2.96%	3.33%
Operating margin ⁽⁶⁾	1.59%	1.40%	1.68%	1.22%	1.07%
Credit Cost ⁽⁷⁾	0.24%	0.40%	0.43%	0.30%	0.36%
ROA ⁽⁸⁾	1.02%	0.76%	0.93%	0.70%	0.52%

Notes:

1. Interest spread is the difference of yield on advances and cost of deposits.
2. Net interest margin is the difference of interest earned and interest expended divided by the average total assets.
3. It is ratio of non-interest income to average total assets. Non-interest income includes income from insurance, commission income, profits on sale of investments, fees received from PSLC sale and other miscellaneous income.
4. Net total income ratios is total of net interest and non-interest income.
5. It is ratios of total operating expense other than interest expended to average total assets.
6. Operating margin is difference between net total income and operating expense ratios.
7. It is ratio of total provisions created for advances to average total assets. Provision includes provision created during the period for NPAs and standard advances.
8. ROA represents ratios of profit after tax to average total assets.

II. Other Key ratios:

The following tables set forth certain key financial indicators of the bank for the periods indicated:

	For the Quarter ended June 30, 2022	For the Quarter ended June 30, 2021	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Cost to income ratio ⁽¹⁾	64.37%	66.79%	63.42%	70.75%	75.77%
Operating expense to average total assets ⁽²⁾	2.87%	2.83%	2.90%	2.96%	3.33%
RO AUM ⁽³⁾	1.59%	1.34 %	1.56%	1.23%	0.89%
ROE ⁽⁴⁾	13.89%	10.65%	12.95%	9.51%	7.73%
Dividend pay-out ratio ⁽⁵⁾	-	-	5.47%	6.67%	-
CD Ratio ⁽⁶⁾	76.68%	67.13%	77.55%	72.07%	74.79%
Deposit to advances ratio ⁽⁷⁾	130.41%	148.96%	128.96%	138.75%	133.71%
CASA to total deposit ratio ⁽⁸⁾	43.14%	40.48%	42.16%	40.07%	36.31%
Retail Term Deposit to Total term deposit ratio ⁽⁹⁾	96.62%	94.72%	95.45%	95.99%	89.00%
LCR ⁽¹⁰⁾	210.31%	381.14%	229.19%	441.49%	357.57%

Notes:

1. Cost to income ratio is calculated as a ratio of operating expenses divided by total operating income (total of net interest income and non-interest income).
2. It represents ratios of total operating expense other than interest expended to average total assets.
3. RO AUM is ratio of Profit after tax to average advances. Average advances is average of daily balances of advances.
4. ROE is ratio of profit after tax to average net worth. Average net worth is average of opening and closing balances of Capital plus reserves and surplus.
5. Dividend pay-out ratio is the ratio of dividend to adjusted net profit (after dividend tax).
6. Credit to deposit ratio is calculated as a ratio of total advances to total deposits as at end of the period.
7. Deposit to advances ratio represents ratio of total deposits to total advances as at end of period.
8. CASA includes outstanding balances of current deposits and saving deposit as at the end of the periods. To derive ratio, total CASA is divided by total deposits.
9. Retail term deposit excludes bulk deposit and interbank term deposit. Bulk deposit includes deposit of ₹ 20 mn and above.
10. LCR is the ratio of unencumbered High Quality Liquid Assets(HQLA) to Estimated Net Cash Outflows over the next 30 calendar days. The data is based on quarterly average.

Source of Funding

Our Bank's funding operations are designed to ensure stability, low cost of funding and effective liquidity management. Our Bank's primary source of funds is retail deposits. Below table sets forth the information of our Bank's various sources of funding:

	As at June 30, 2022		As at June 30, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Amount (₹ in million)	% of total liabilities	Amount (₹ in million)	% of total liabilities	Amount (₹ in million)	% of total liabilities	Amount (₹ in million)	% of total liabilities	Amount (₹ in million)	% of total liabilities
CASA	26,583.42	36.12%	22,194.46	33.80%	25,494.01	35.64%	20,926.34	32.85%	16,146.74	30.29%
Time Deposit	35,039.53	47.61%	32,634.57	49.70%	34,969.58	48.88%	31,284.36	49.10%	28,319.49	53.13%
Total deposits	61,622.95	83.72%	54,829.03	83.51%	60,463.59	84.52%	52,210.70	81.95%	44,466.23	83.43%
Total borrowings	5,648.10	7.67%	5,424.4	8.26%	4,984.30	6.97%	6,167.2	9.68%	4,209.2	7.90%
Shareholders' funds	5,362.19	7.29%	4,642.03	7.07%	5,157.81	7.21%	4,507.90	7.08%	4,067.80	7.63%
Other liabilities and provisions	969.18	1.32%	763.03	1.16%	933.51	1.30%	826.58	1.30%	555.54	1.04%
Total liabilities	73,602.41	100.00%	65,658.49	100.00%	71,539.21	100.00%	63,712.38	100.00%	53,298.77	100.00%

Deposits

The following tables set forth, for the periods indicated, our Bank's deposits and the percentage composition by each category of deposits.

	As at June 30, 2022		As at June 30, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits
Demand Deposits	2,205.72	3.58%	2,036.15	3.71%	2,328.98	3.85%	2,072.66	3.96%	1,333.17	3.00%
Saving Deposits	24,377.70	39.56%	20,158.31	36.77%	23,165.03	38.31%	18,853.68	36.11%	14,813.57	33.31%
Term Deposits	35,039.53	56.86%	32,634.57	59.52%	34,969.58	57.84%	31,284.36	59.93%	28,319.49	63.69%
Total Deposits	61,622.95	100.00%	54,829.03	100.00%	60,463.59	100.00%	52,210.70	100.00%	44,466.23	100.00%

Retail, Bulk, Institutional and NRI Deposits

The details of Retail Deposits and Bulk Deposits are as set forth below:

	As at June 30, 2022		As at June 30, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits
CASA [A=B+C]	26,583.42	43.14%	22,194.46	40.48%	25,494.01	42.16%	20,926.34	40.07%	16,146.74	36.31%
CASA from domestic clients [B]	24,848.05	40.32%	20,703.75	37.76%	23,872.76	39.48%	19,514.42	37.38%	14,853.01	33.40%
CASA from NRI clients [C]	1,735.37	2.82%	1,490.71	2.72%	1,621.25	2.68%	1,411.92	2.70%	1,293.73	2.91%
Term deposits [D=E+F+G+H]	35,039.53	56.86%	32,634.57	59.52%	34,969.58	57.84%	31,284.36	59.93%	28,319.49	63.69%
Retail Domestic Term Deposits [E]	30,071.50	48.80%	27,253.24	49.71%	29,601.59	48.96%	26,375.19	50.52%	21,786.72	49.00%
Bulk Term Deposits [F]*	686.65	1.11%	882.46	1.61%	759.99	1.26%	689.34	1.32%	1,391.64	3.13%
Interbank Term Deposits [G]	434.75	0.71%	840.57	1.53%	809.36	1.34%	565.45	1.08%	1,722.67	3.87%
NRI Term deposits [H]	3,846.63	6.24%	3,658.30	6.67%	3,798.64	6.28%	3,654.38	7.00%	3,418.46	7.69%
Total Deposits [I=A+D]	61,622.95	100%	54,829.03	100%	60,463.59	100%	52,210.70	100%	44,466.23	100%
Bulk deposits (I)	1,184.24	1.92%	1,723.09	3.14%	1,590.50	2.63%	1,254.84	2.40%	3,114.31	7.00%
Retail deposits (II)	60,438.71	98.08%	53,105.94	96.86%	58,873.09	97.37%	50,955.86	97.60%	41,351.92	93.00%
Total deposits (I+II)	61,622.95	100%	54,829.03	100%	60,463.59	100%	52,210.70	100%	44,466.23	100%

*excludes Interbank Term Deposits and NRI Term Deposits having balance of ₹20 million and above as at the date

Notes:

1. Bulk deposits include term deposits account having balance of ₹20 million and above as at the date.
2. Retail deposits includes deposit other than bulk deposit
3. Interbank Term deposits include term deposits from other banks.
4. NRI deposits includes deposits from non-resident clients.

Deposits Based on Category of Branches

The following table sets forth, as at the dates indicated, deposits and the percentage composition by location of Branches

	As at June 30, 2022		As at June 30, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits	Amount (₹ in million)	% of total deposits
Metropolitan	2,832.38	4.60%	2,560.14	4.67%	3,209.90	5.31%	2,680.66	5.13%	2,556.45	5.75%
Urban	9,810.23	15.92%	9,071.24	16.54%	10,103.65	16.71%	8,535.78	16.35%	8,188.67	18.42%
Semi Urban	25,216.32	40.92%	22,347.55	40.76%	24,189.07	40.01%	21,382.45	40.95%	17,928.36	40.32%
Rural	23,764.02	38.56%	20,850.09	38.03%	22,960.97	37.97%	19,611.82	37.56%	15,792.75	35.52%
Total Deposits	61,622.95	100.00%	54,829.03	100.00%	60,463.59	100.00%	52,210.70	100.00%	44,466.23	100.00%

Ticket size wise breakup

Following table sets forth the average ticket size of deposits:

(Amount in ₹)

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Demand Deposits	1,17,413	1,13,840	1,27,945	1,17,831	89,486
Saving Deposits	42,216	38,410	40,881	37,079	32,499
Time Deposits	3,60,341	3,40,085	3,60,947	3,34,882	3,38,014
Total Deposits	88,860	85,850	88,691	84,283	80,192

Note:

1. For calculating ticket size deposit outstanding as at end of period is divided by number of accounts in that category.

Average Deposits, Interest Expended and Cost of Deposit

The table below presents our Bank's average balances for deposits together with the related interest expended by category of deposits, resulting in the presentation of the cost for each period. Average balance is calculated as the average of daily balances.

(₹ in million, except percentages)

	As at the					
	Quarter ended June 30, 2022			Quarter ended June 30, 2021		
	Average Balance [A]	Interest Expended [B]	Cost (%) [C=B/A]	Average Balance [A]	Interest Expended [B]	Cost (%) [C=B/A]
Demand Deposits [A]	2,157.29	-	-	2,114.68	-	-
Savings Bank Deposits [B]	23,923.69	209.09	3.50%	19,838.33	181.72	3.66%
CASA [C=A+B]	26,080.98	209.09	3.21%	21,953.01	181.72	3.31%
Term Deposits [D]	34,898.32	524.89	6.02%	31,844.89	513.62	6.45%
Total Deposits (E= C + D)	60,979.30	733.98	4.81%	53,797.90	695.34	5.17%

	As at the								
	Year ended March 31, 2022			Year ended March 31, 2021			Year ended March 31, 2020		
	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]
Demand Deposits [A]	2,052.11	-	-	2,163.93	-	-	1,886.97	-	-
Savings Bank Deposits [B]	21,559.82	764.51	3.55%	16,848.57	660.58	3.92%	13,743.12	554.53	4.03%
CASA [C=A+B]	23,611.93	764.51	3.24%	19,012.50	660.58	3.47%	15,630.09	554.53	3.55%
Term Deposits [D]	33,219.67	2,089.70	6.29%	30,002.80	2,122.56	7.07%	25,966.91	1,983.86	7.64%
Total Deposits (E= C + D)	56,831.60	2854.21	5.02%	49,015.30	2,783.14	5.68%	41,597.00	2,538.39	6.10%

Deposit Turnover Ratio

Below table sets forth rollover ratios of bank.

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Roll Over ratio	92.00%	91.82%	89.73%	91.01%	90.73%

Notes:

1. Rollover' refers to the reinvestment of maturity proceeds in a new term deposit. The rollover ratio is calculated by dividing the renewed term deposits during the period by total term deposits matured during the period.

Total Borrowings

The following table sets forth, for the periods indicated, information related to Bank's borrowings, which are comprised primarily of refinance and Tier II bonds.

(₹ in million, except percentages)

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Period-end balance of Tier II bonds[A]	2,469.10	2,147.40	2,147.4	1,921.20	1,607.20
Period-end balance of others borrowings[B]	3,179.00	3,277.00	2,836.9	4,246.00	2,602.00
Period-end balance of total borrowings[C=A+B]	5,648.10	5,424.40	4,984.3	6,167.20	4,209.20
Average balance of Tier II bonds[D]	2,310.02	1,906.83	2,087.42	1,722.49	1,718.42
Average balance of others borrowings [E]	2,921.38	3,451.37	3,204.78	2,881.01	1,988.98
Average balance of total borrowings[F=D+E]	5,231.40	5,358.20	5,292.20	4,603.50	3,707.40
Interest expended on Tier II bonds[G]	58.54	49.18	212.57	180.18	181.14
Interest expended on others borrowings [H]	33.70	49.35	162.58	164.96	135.59
Interest expended on total borrowings [I=G+H]	92.24	98.53	375.15	345.14	316.73
Average cost of Tier II bonds [K=G/D]	10.14%	10.32%	10.18%	10.46%	10.54%
Average cost of other borrowings[L=H/E]	4.61%	5.72%	5.07%	5.73%	6.82%
Average cost of total borrowings[M=I/F]	7.05%	7.36%	7.09%	7.50%	8.54%

Notes:

1. Average balances have been computed on the basis of daily outstanding balances.
2. Other borrowings include Refinance from SIDBI & NABARD, money market borrowings and borrowings from other banks.

Advances Portfolio

The table sets forth below Bank's gross advances by product groups as at the dates indicated.

Classification of Advances	As at June 30, 2022		As at June 30, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances
Bills Purchased and Discounted	3.28	0.01%	5.01	0.01%	3.44	0.01%	5.18	0.01%	6.10	0.02%
Cash Credits, Overdrafts and Loans Repayable on Demand	22,998.69	48.67%	18,775.96	51.01%	23,443.99	50.00%	19,736.11	52.45%	18,815.79	56.58%
Term Loans	24,250.33	51.32%	18,027.51	48.98%	23,439.60	49.99%	17,888.58	47.54%	14,433.77	43.40%
Total Advances	47,252.30	100%	36,808.49	100%	46,887.03	100%	37,629.87	100%	33,255.66	100%

The table below sets forth the Bank's advances by segment as at dates indicated:

	As at June 30, 2022		As at June 30, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances
Agriculture	17,470.69	36.97%	13,576.07	36.88%	17,807.44	37.98%	14,232.11	37.82%	12,744.44	38.32%

	As at June 30, 2022		As at June 30, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances
MSME & Trading	10,845.27	22.95%	9,597.98	26.08%	10,926.22	23.30%	9,730.45	25.86%	8,895.12	26.75%
Mortgage	11,996.48	25.39%	8,339.01	22.66%	11,284.49	24.07%	8,096.45	21.52%	6,396.88	19.24%
Others	6,939.86	14.69%	5,295.43	14.38%	6,868.88	14.65%	5,570.86	14.81%	5,219.22	15.69%
Out of others - Large corporates	3,228.45	6.83%	1,948.01	5.29%	3,191.29	6.81%	2,066.41	5.49%	1,774.25	5.34%
Out of others - Others including Consumption	3,711.41	7.86%	3,347.42	9.09%	3,677.59	7.84%	3,504.45	9.32%	3,444.97	10.35%
Total Advances	47,252.30	100%	36,808.49	100%	46,887.03	100%	37,629.87	100%	33,255.66	100%

The table below sets forth the Bank's advances by secured and unsecured as at dates indicated:

	As at June 30, 2022		As at June 30, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances
Secured	47,126.27	99.73%	36,602.49	99.44%	46,746.92	99.70%	37,399.91	99.39%	32,946.43	99.07%
Unsecured	126.03	0.27%	205.99	0.56%	140.11	0.30%	229.96	0.61%	309.23	0.93%
Total Advances	47,252.30	100%	36,808.49	100%	46,887.03	100%	37,629.87	100%	33,255.66	100%

The table below sets forth the Bank's advances by exposure limits as at given dates:

	As at June 30, 2022		As at June 30, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances
Upto 25 lacs	32,045.99	67.82%	23,842.63	64.77%	30,706.77	65.49%	23,661.34	62.88%	19,774.69	59.46%
25-50 lacs	5,483.89	11.61%	4,606.18	12.51%	6,243.03	13.32%	5,244.16	13.94%	4,678.42	14.07%
Above 50 lacs	9,722.42	20.57%	8,359.67	22.71%	9,937.23	21.19%	8,724.37	23.18%	8,802.55	26.47%
Total Advances	47,252.30	100%	36,808.49	100%	46,887.03	100%	37,629.87	100%	33,255.66	100%

Disbursement of Advances

(₹ in million)

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Upto 25 lacs	3,753.63	1,811.94	12,390.50	9,464.26	9,721.14
More than 25 lacs	1,141.05	632.44	6,035.80	3,986.51	3,695.35
Total	4,894.68	2,444.38	18,426.30	13,450.77	13,416.49

The table below sets forth the Bank's advances by category of branches:

	As at June 30, 2022		As at June 30, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances	Amount (₹ in million)	% of total advances
Rural	11,276.69	23.86%	8,568.80	23.28%	11,115.73	23.71%	8,607.95	22.88%	7,502.97	22.56%
Semi Urban	16,921.78	35.81%	13,404.80	36.42%	17,061.53	36.39%	14,055.82	37.35%	12,550.10	37.74%
Urban	14,591.07	30.88%	10,873.67	29.54%	14,250.70	30.39%	10,994.29	29.22%	9,318.67	28.02%
Metropolitan	4,462.76	9.45%	3,961.21	10.76%	4,459.07	9.51%	3,971.81	10.55%	3,883.91	11.68%
Total Advances	47,252.30	100%	36,808.49	100%	46,887.03	100%	37,629.87	100%	33,255.66	100%

The table below sets forth the Bank's average ticket size of advances as at end of periods indicated:

(₹ in million)

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Agriculture	1.22	1.21	1.22	1.22	1.25
MSME & Trading	1.98	2.04	1.99	2.02	1.96
Mortgage	1.14	1.11	1.13	1.1	1.17
Large Corporate	124.83	90.56	111.23	87.70	79.55
Others including Consumption	0.63	0.57	0.60	0.55	0.50
Overall	1.32	1.27	1.31	1.26	1.20

Note:

1. Ticket size is calculated by dividing sanctioned amount of outstanding advances with number of clients in the sector.

The below table sets for the weighted average interest rate among the different sectors on outstanding at end of the periods indicated:

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Agriculture	12.06%	12.33%	12.08%	12.36%	12.56%
MSME & Trading	10.16%	10.52%	10.19%	10.58%	10.89%
Mortgage	10.88%	11.33%	10.95%	11.40%	11.64%
Large Corporate	11.19%	12.15%	11.19%	12.27%	13.13%
Others including Consumption	9.21%	9.68%	9.23%	9.71%	10.36%
Overall yield	11.04%	11.38%	11.09%	11.44%	11.74%

Priority Sector Lending

Being a Small finance bank, Bank is required to lend through advances 75.00% 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. Bank is required to comply with the priority sector lending requirements on a quarterly basis.

The tables below set out Bank’s outstanding Priority Sector advances (as defined by the Government and the RBI) by sector and as a percentage of ANBC as at the dates indicated.

	As at June 30, 2022		As at June 30, 2021		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Advances (₹ in million)	% of ANBC	Advances (₹ in million)	% of ANBC	Advances (₹ in million)	% of ANBC	Advances (₹ in million)	% of ANBC	Advances (₹ in million)	% of ANBC
Agriculture & allied activities	17,470.69	50.92%	13,576.07	47.42%	17,807.44	53.75%	14,232.11	49.49%	12,744.44	55.68%
Industry and services (Micro & small, Medium and large)	10,639.82	31.01%	9,166.07	32.01%	10,653.02	32.16%	9,185.74	31.95%	8,367.41	36.56%
Others	4,459.15	13.00%	2,516.23	8.79%	4,141.20	12.50%	2,374.62	8.26%	1,907.65	8.33%
Total Gross PSL	32,569.66	94.93%	25,258.37	88.22%	32,601.66	98.41%	25,792.47	89.70%	23,019.51	100.58%

The tables below set out Bank’s net PSL position on quarterly average basis:

(₹ in million, except percentages)

	As at June 30, 2022	As at June 30, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
ANBC	34,308.49	28,632.31	31,322.17	26,006.10	20,752.73
Gross Priority Sector Lending (PSL)	32,569.66	25,258.37	28,921.16	23,855.10	20,729.63
PSLC Purchased/sold (Net)	2,500.00	2,500.00	4,225.00	3,500.00	4,000.00
Net PSL	30,069.66	22,758.37	24,696.16	20,355.10	16,729.63
Net PSL achievement	87.64%	79.48%	78.85%	78.27%	80.61%

Recognition of NPAs and Provisioning

RBI classification and provisioning requirements

The Bank is classifying the advances in accordance with the RBI guidelines. The Credit policy of the Bank contains detailed guidelines in this regard. As per the stated guidelines, an asset is classified as non-performing if:

- interest and/or instalment of principal remains overdue for more than 90 days in respect of term loans.
- the account remains out of order in respect of Overdraft/Cash Credit (CC/OD), and in respect of bills purchased and discounted, if
- the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
- the instalment of principal or interest thereon remains overdue for one crop season for long duration crops

The advances are further categorised into Standard, Sub-standard, Doubtful and Loss Assets category as detailed below:

1	Standard asset	Standard Assets refer to performing assets which continue to generate income for the bank and do not carry more than the normal risk attached to the business.
2	Sub-standard asset	A Sub-standard Asset is one which has remained NPA for a period less than or equal to 12 months.
3	Doubtful asset	An asset is classified as doubtful if it had remained in the sub-standard category for 12 months. Doubtful assets are sub-classified into the following three categories.
3.1	Doubtful 1	An asset which has remained in Doubtful category for upto 1 year (i.e. NPA for 12-24 months)
3.2	Doubtful 2	An asset which has remained in Doubtful category for 1 to 3 years (i.e. NPA for 24-48 months)
3.3	Doubtful 3	An asset which has remained in Doubtful category for more than 3 years (i.e. NPA for more than 48 months)
4	Loss asset	A loss asset is one where the loss has been identified by the bank or internal or external auditors or the RBI inspection, but the amount has not been written off wholly. In other words, such an asset is considered uncollectible.

Further, the Bank has also automated the Income Recognition, Asset Classification and Provisioning process w.e.f. June 30, 2021. With regard to the NPA accounts, the Income is recognised on cash basis and the provisioning is calculated automatically by the system.

A detailed view of the asset bucketing as per the above categories is presented below:

(₹ in million)

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Standard Assets	45,868.57	35,896.06	45,715.69	36,847.44	32,670.59
Sub-standard Assets	640.93	374.67	506.51	239.66	306.68
Doubtful Assets	742.80	537.76	664.83	542.78	278.39
Loss Assets	-	-	-	-	-
Total	47,252.30	36,808.49	46,887.03	37,629.87	33,255.66

Provisioning Requirements

In order to provide for the expected losses out of the loan portfolio, the Bank has a detailed Provisioning policy in place which is in compliance with the RBI regulations. A snapshot of the provisioning guidelines are as follows:

Standard asset	The provisioning requirements for all types of standard assets stands as below. (a) Farm Credit to agricultural activities and Small and Micro Enterprises (SMEs) sectors at 0.25 per cent; (b) advances to Commercial Real Estate (CRE) Sector at 1.00 per cent; (c) advances to Commercial Real Estate – Residential Housing Sector (CRE - RH) at 0.75 per cent (d) all other loans and advances not included in (a) (b) and (c) above at 0.40 per cent. (e) the Medium Enterprises will attract 0.40% standard asset provisioning.	
Sub-standard asset	(i) A general provision of 15 percent on total outstanding should be made without making any allowance for ECGC guarantee cover and securities available. (ii) The 'unsecured exposures' which are identified as 'substandard' would attract additional provision of 10 per cent, i.e., a total of 25 per cent on the outstanding balance. Unsecured exposure is defined as an exposure where the realizable value of the security, as assessed by the bank/approved valuers/Reserve Bank's inspecting officers, is not more than 10 percent, ab-initio, of the outstanding exposure.	
Doubtful asset	100 percent of the extent to which the advance is not covered by the realizable value of the security to which the bank has a valid recourse and the realizable value is estimated on a realistic basis. In regard to the secured portion, provision may be made on the following basis, at the rates ranging from 25 percent to 100 percent of the secured portion depending upon the period for which the asset has remained doubtful:	
	Period for which the advance has remained in 'doubtful' category	Provision requirement (%)

	Up to one year	25
	One to three years	40
	More than three years	100
Loss asset	Loss assets should be written off. If loss assets are permitted to remain in the books for any reason, 100 percent of the outstanding should be provided for.	
Restructured asset	Provision for restructured accounts, unless restructured under specific schemes, shall be created as per the rates and conditions prescribed by RBI from time to time and the Bank's policy for Restructuring of Loans.	

The following tables set forth the Bank's provisions for possible credit losses at the dates indicated:

(₹ in million, except percentages)

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Provision held (including standard assets provision)	865.75	600.39	823.07	535.82	358.34
Provision held as percentage of Gross Advances	1.83 %	1.63%	1.76 %	1.42%	1.08%
Provision held as percentage of Gross NPAs	62.56 %	65.80%	70.26 %	68.48%	61.25%

The following tables set forth the SMAs and NPAs position:

	June 30, 2022				June 30, 2021			
	Term Loans	CC/OD Limits	Agri limits	Total	Term Loans	CC/OD Limits	Agri limits	Total
SMA 1	4.48%	1.41%	0.00%	2.53%	5.20%	1.98%	0.50%	3.08%
SMA 2	3.61%	0.26%	0.00%	1.91%	2.87%	0.10%	2.00%	2.12%
NPA	1.72%	5.90%	3.50%	2.93%	1.24%	5.98%	2.57%	2.48%

	March 31, 2022				March 31, 2021				March 31, 2020			
	Term Loans	CC/OD Limits	Agri limits	Total	Term Loans	CC/OD Limits	Agri limits	Total	Term Loans	CC/OD Limits	Agri limits	Total
SMA 1	3.56%	1.45%	0.00%	2.02%	3.44%	1.46%	0.44%	2.06%	5.02%	2.85%	8.63%	5.89%
SMA 2	2.65%	0.20%	0.00%	1.37%	3.08%	1.41%	3.45%	2.92%	4.18%	1.90%	4.54%	3.86%
NPA	1.48%	5.85%	2.51%	2.50%	0.78%	5.78%	2.08%	2.08%	0.51%	4.92%	1.57%	1.76%

Non-Performing Assets

The following table sets forth information about Bank's NPA portfolio as at end of periods mentioned:

(₹ in million, except percentages)

	For the														
	Quarter ended June 30, 2022			Quarter ended June 30, 2021			Year ended March 31, 2022			Year ended March 31, 2021			Year ended March 31, 2020		
	Gross NPA	Provision	% of NPA	Gross NPA	Provision	% of NPA	Gross NPA	Provision	% of NPA	Gross NPA	Provision	% of NPA	Gross NPA	Provision	% of NPA
Agriculture	591.13	231.57	3.38%	342.94	135.99	2.53%	435.36	189.46	2.44%	294.95	123.38	2.07%	204.51	58.78	1.60%
MSME & Trading	612.34	252.38	5.65%	380.04	180.31	3.96%	538.25	230.72	4.93%	374.56	182.76	3.85%	304.36	83.57	3.42%
Mortgage	89.66	31.17	0.75%	72.01	28.47	0.86%	77.88	27.52	0.69%	62.92	24.53	0.78%	28.64	9.21	0.45%
Others	90.60	73.02	1.31%	117.44	41.76	2.22%	119.85	91.33	1.74%	50.00	30.34	0.90%	47.56	21.01	0.91%
Total NPA	1383.73	588.14	2.93%	912.43	386.54	2.48%	1,171.34	539.03	2.50%	782.43	361.01	2.08%	585.07	172.57	1.76%

The following table sets forth information movement of NPAs during the given periods:

(₹ in million, except percentages)

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance of Gross NPAs at the beginning of the period	1171.34	782.43	782.43	585.07	339.56
Additions during the period	294.32	176.16	781.13	248.53	421.9
Less: Reductions during the period on account of recovery	21.78	4.69	61.87	16.53	32.06
Less: Reductions during the period on account of upgradations	60.15	41.47	329.69	34.49	144.27
Less: Reductions during the period on account of write-offs (including technical write-offs)	-	-	0.66	0.15	0.06
Gross NPAs [A]	1383.73	912.43	1171.34	782.43	585.07

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Total provision towards NPAs [B]	588.15	386.54	539.03	361.01	172.57
Net NPAs [C= A- B]	795.58	525.89	632.31	421.42	412.50
Gross Advances [D]	47,252.30	36,808.49	46,887.03	37,629.87	33,255.66
Net Advances [E = D-B]	46,664.15	36,421.95	46,348.00	37,268.86	33,083.08
Gross NPAs as a percentage of gross advances [F = A/D] (%)	2.93%	2.48%	2.50%	2.08%	1.76%
Net NPAs as a percentage of net advances [G = C/E] (%)	1.70%	1.44%	1.36%	1.13%	1.25%
Provision for standard assets [H]	277.60	213.85	284.04	174.81	185.77
Total of provision towards NPAs and provision towards standard assets [I = B + H]	865.75	600.39	823.07	535.82	358.34
Total of provision towards NPAs and provision towards standard assets held as percentage of gross advances (%) [J=I/D]	1.83%	1.63%	1.76%	1.42%	1.08%
Total provision towards NPAs held as percentage of gross NPAs (%) [K=B/A]*	42.50%	42.36%	46.02%	46.14%	29.50%
Outstanding balance of technical written-off accounts [L]	-	-	-	-	-
Provision coverage ratio [M = (B+L)/(A+L)](%)	42.50%	42.36%	46.02%	46.14%	29.50%

The following tables set forth the Ageing wise NPA provision:

(₹ in million, except percentages)

NPA Ageing Particulars	As at June 30, 2022			As at June 30, 2021		
	Amount	Provision	PCR	Amount	Provision	PCR
Above 5 years	72.07	72.07	100.00%	42.88	42.88	100.00%
2-5 years	383.14	289.82	75.64%	259.2	156.21	60.27%
1-2 years	287.59	117.16	40.74%	235.69	106.82	45.32%
upto 1 year	640.93	109.10	17.02%	374.67	80.63	21.52%
Total	1,383.73	588.15	42.50%	912.43	386.54	42.36%

(₹ in million, except percentages)

NPA Ageing Particulars	As at March 31, 2022			As at March 31, 2021			As at March 31, 2020		
	Amount	Provision	PCR	Amount	Provision	PCR	Amount	Provision	PCR
Above 5 years	57.98	57.98	100%	37.89	37.89	100.00%	7.75	7.75	100.00%
2-5 years	437.10	311.08	71.17%	219.49	132.55	60.39%	128.26	70.66	55.09%
1-2 years	169.75	49.42	29.11%	285.4	130.23	45.63%	142.38	46.21	32.46%
upto 1 year	506.51	120.55	23.80%	239.66	60.34	25.18%	306.68	47.95	15.63%
Total	1171.34	539.03	46.02%	782.43	361.01	46.14%	585.07	172.57	29.50%

Restructuring of Advances

A restructured account is one where for economic or legal reasons relating to the borrower's financial difficulty, the Bank grants to the borrower concessions that the Bank 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).

The Bank has implemented the guidelines issued by the RBI vide its circular "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" dated August 06, 2020; and "Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)" and "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" dated May 05, 2021 wherein the Banks were permitted to restructure the existing accounts without a downgrade in the asset classification subject to the conditions specified therein.

The details of restructured accounts are as follows:

(₹ in million)

	As at June 30, 2022	As at June 30, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Restructured Advances Amount outstanding	1,327.70	1,161.55	1,357.59	847.78	-
structuring Provision	126.58	92.40	134.19	53.37	-

Concentration of Advances and Deposits

	As at June 30, 2022	As at June 30, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Deposits					
10 largest deposit holders	2.33%	2.51%	3.20%	2.56%	5.88%
20 largest deposit holders	3.61%	3.88%	4.73%	3.70%	7.64%
Advances					
10 largest borrowers	3.91%	3.18%	4.02%	3.17%	4.03%
20 largest borrowers	6.36%	5.49%	6.53%	5.70%	6.81%

Note:

1. Deposit concentration represents aggregate exposure concentration to top depositors including CASA and term deposits.
2. Borrower concentration represents the exposure concentration of top borrowers in credit portfolio of the Bank. Exposure includes both fund based and non-fund based exposure, calculated as per Exposure norms prescribed by the Reserve Bank of India.

Capital Adequacy

Bank is subject to the CAR requirements prescribed by the RBI i.e. to maintain a minimum CAR of 15.00%, based on the total capital to risk-weighted assets. The following table sets forth information relating to the CAR of Bank as of the periods indicated:

(₹ in million, except percentages)

	As at June 30, 2022	As at June 30, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Tier I Capital	5,123.94	4,462.43	4,908.56	4,335.80	3,955.04
Tier II Capital	2,297.09	1,998.02	2,017.03	1,680.68	1,442.58
Total Capital	7,421.03	6,460.45	6,925.59	6,016.48	5,397.62
Total Risk Weighted Assets	38,032.17	30,595.85	37,168.97	30,380.21	28,241.45
Capital Adequacy Ratio					
Tier I Capital (%)	13.47%	14.59%	13.21%	14.27%	14.00%
Tier II Capital (%)	6.04%	6.53%	5.42%	5.53%	5.11%
Total Capital (%)	19.51%	21.12%	18.63%	19.80%	19.11%

Investment Portfolio

The following table sets forth, as at the dates indicated, information related to our total net investment portfolio.

(₹ in million)

	As at June 30, 2022	As at June 30, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Government Securities	13,773.48	11,803.72	13,555.23	12,107.36	10,518.75
Certificate of Deposit	-	-	-	-	-
Mutual Funds	-	-	-	-	-
Corporate Bonds	-	-	-	-	-
Equity Shares	15.40	15.40	15.40	15.16	-
Total	13,788.88	11,819.12	13,570.63	12,122.52	10,518.75

(₹ in million)

	As at June 30, 2022	As at June 30, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Held to Maturity	10,301.87	8,132.45	9,892.76	8,725.32	7,264.70
Available for Sale	3,487.01	3,686.67	3,677.87	3,397.20	3,203.77
Held for Trading	-	-	-	-	50.28
Total Portfolio	13,788.88	11,819.12	13,570.63	12,122.52	10,518.75

Interest Sensitivity Analysis

The following table sets forth the interest rate sensitivity analysis of Bank's assets and liabilities as June 30, 2022, which is prepared/compiled based on guidelines provided by the RBI.

(₹ in million)

	As at June 30, 2022					
	Up to Three Months	Over Three Months to One Year	Over One Year to Five Years	Over Five Years	Non-Sensitive	Total
Cash and Balances with RBI	660.00	-	-	-	3,543.39	4,203.39
Balances with Other Banks	1,634.88	4,450.22	271.34	-	613.87	6,970.31

	As at June 30, 2022					
	Up to Three Months	Over Three Months to One Year	Over One Year to Five Years	Over Five Years	Non-Sensitive	Total
Investments	549.37	335.05	1,745.02	11,144.04	15.40	13,788.88
Advances	11,451.79	23,893.17	10,695.43	623.77	-	46,664.16
Other Assets	326.14	522.17	26.74	1.49	1,099.13	1,975.67
Total Assets	14,622.18	29,200.61	12,738.53	11,769.30	5,271.79	73,602.41
Capital and Reserves	-	-	-	-	5,362.19	5,362.19
Borrowings	714.60	1,028.90	1,950.90	1,953.70	-	5,648.10
Deposits	10,512.90	21,427.69	29,539.42	142.94	-	61,622.95
Other Liabilities	15.27	44.79	9.39	0.22	899.50	969.17
Total Liabilities	11,242.77	22,501.38	31,499.71	2,096.86	6,261.69	73,602.41

Asset Liability Gap

The following table sets forth the maturity pattern of certain items of assets and liabilities as at June 30, 2022, which is prepared/compiled based on guidelines provided by the RBI:

(₹ in million, except percentages)

	As on June 30, 2022							
	1-30 Days	30-90 Days	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Over 5 Years	Total
Cash and Bank Balance	2,103.95	1,710.53	1,354.53	3,386.60	1,437.25	18.42	1,162.42	11,173.70
Advances	6,110.41	1,165.19	1,653.85	3,270.31	26,018.28	5,601.80	2,844.32	46,664.16
Investments	3,006.57	276.31	371.08	792.50	4,603.65	73.70	4,665.07	13,788.88
Fixed Assets	-	-	-	-	-	-	841.10	841.10
Other Assets	266.99	91.87	85.33	67.58	366.97	9.79	246.04	1,134.57
Total Assets	11,487.92	3,243.90	3,464.79	7,516.99	32,426.15	5,703.71	9,758.95	73,602.41
Capital & Reserve	-	-	-	-	-	-	5,362.19	5,362.19
Deposits	3,645.28	1,544.35	2,268.00	4,464.75	25,449.71	123.80	24,127.06	61,622.95
Borrowings	76.40	638.20	224.20	804.70	1,671.90	279.00	1,953.70	5,648.10
Other Liabilities	268.29	54.94	34.66	43.42	472.84	41.87	53.15	969.17
Total Liabilities	3,989.97	2,237.49	2,526.86	5,312.87	27,594.46	444.67	31,496.09	73,602.41
Liquidity Gap	7,497.95	1,006.41	937.93	2,204.12	4,831.69	5,259.04	-21,737.14	-
Cumulative Liquidity Gap	7,497.95	8,504.36	9,442.29	11,646.41	16,478.10	21,737.14	-	-
Cumulative Liabilities	3,989.97	6,227.46	8,754.32	14,067.19	41,661.65	42,106.32	73,602.41	-
Cumulative Liquidity Gap as a percentage of Cumulative Liabilities (%)	187.92%	136.56%	107.86%	82.79%	39.55%	51.62%	-	-

Productivity Ratios

The following table sets forth certain information relating to Bank's productivity ratios:

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Number of branches	165	159	161	158	150
ATMs	167	161	163	160	151
Digital transactions Share	78.54%	67.95%	71.18%	54.48%	46.10%
Deposits per Branch	380.39	354.88	379.08	339.03	318.75
Advances per Branch	291.68	238.24	293.96	244.35	238.39
Disbursements per Branch	30.21	15.82	115.53	87.34	96.18

Note:

- The above numbers have been computed on average number of branches.
- The digital transaction share has been computed as a percentage of digital transactions over total non-cash transactions during the relevant period.

(₹ in million, except count)

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Total number of employees	1,675	1,641	1,644	1,614	1,649
Deposits per employee	37.17	33.59	37.12	32.00	28.86
Advances per employee	28.50	22.55	28.78	23.06	21.58

	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Disbursements per employee	2.95	1.50	11.31	8.24	8.71

Note: The above numbers have been computed on average number of employees.

FINANCIAL STATEMENTS

RESTATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

The Board of Directors
Capital Small Finance Bank Limited
Midas Corporate Park, 3rd Floor,
37, G.T. Road,
Jalandhar, Punjab- 144 001

Dear Sirs /Madams,

1. We have examined the attached Restated Financial Information of Capital Small Finance Bank (the "Bank") comprising the Restated Statement of Assets and Liabilities as at June 30, 2022, June 30, 2021, March 31, 2022, 2021 and 2020, the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for the three months periods ended June 30, 2022 and June 30, 2021 and for each of the years ended March 31, 2022, 2021 and 2020, the summary statement of significant accounting policies and other explanatory information as approved by the board of directors of the Bank ("Board of Directors") at their meeting held on August 31, 2022, for the purpose of inclusion in the addendum to Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively, the "Offer Documents") prepared by the Bank in connection with its proposed Initial Public Offer of equity shares of face value of Rs.10 each ("IPO") prepared in terms of requirements of:
 - a. Section 26 of Part I of Chapter III of The Companies Act, 2013 (the "Act");
 - b. Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("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')
2. The Bank's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, situated at Chandigarh ("RoC Chandigarh") in connection with the proposed IPO of the Bank. The Restated Financial Information has been prepared by the management of the Bank on the basis of preparation stated in note 5.2 to the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the bank complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration:
 - a) The terms of reference and our engagement agreed with you vide our engagement letter dated August 23, 2021, in connection with the proposed IPO of the Bank;
 - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks 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 applicable provisions of the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Proposed IPO.
4. The Restated Financial Information have been compiled by the management from:
 - a) Audited interim financial statements of the Bank as at and for the three months ended June 30, 2022 and June 30, 2021 and audited financial statements of the Bank for the years ended March 31, 2022, 2021 and 2020 prepared in accordance with the Accounting Standard (AS) 25 specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, which have been approved

by the Board of Directors in their meeting held on August 31, 2022, May 13, 2022, September 23, 2021, May 11, 2021, May 16, 2020 respectively..

5. For the purpose of our examination, we have relied on
- a) Auditor's reports issued by us dated August 31, 2022 and September 23, 2021 on the audited interim financial statements of the Bank as at and for the three months period ended June 30, 2022 and June 30, 2021, respectively, as referred in Paragraph 4 above.
 - b) Auditor's reports issued by us, dated May 13, 2022 on the audited financial statements of the bank as at and for the year ended March 31, 2022, as referred in Paragraph 4 above.
 - c) Auditor's reports issued by Previous Auditor MSKC & Associates, dated May 11, 2021 and May 16, 2020 on the audited financial statements of the Bank as at for the years ended March 31, 2021 and 2020 respectively, as referred in Paragraph 4 above.

The audited financial statements for the years ended March 31, 2021, and March 31, 2020 and the independent auditors' reports thereon issued by the Previous Auditors have been furnished to us by the Bank. We have examined and reported on the restated financial information for the years ended March 31, 2021, and 2020. The adjustments in so far as it relates to the amounts, disclosures, material errors, regrouping, reclassification, etc., included in respect of the years ended March 31, 2021 and 2020 is restricted to and based solely on the audited financial statements and auditor's reports issued by the Previous Auditor for such years. 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 the Restated Financial Information:
- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2022, March 31 2021, March 31 2020 and three months ended June 30, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three months period ended June 30, 2022.
 - b) There are no qualifications in the auditors' reports on the audited financial statements of the Bank as at and for the three month periods ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, 2021 and 2020; and

Emphasis of matter paragraphs included in the auditors' report on the financial statements as at and for the three month periods ended June 30, 2022 and June 30 2021 and for the year ended March 31, 2022 , March 31, 2021 and March 31 2020 which does not require any corrective adjustment in the Restated Financial Information, are as follows:

Emphasis of Matter – June 30, 2022

We draw attention to Note 4.6 of the of Schedule 18 to the financial statements regarding the impact of the Covid 19 pandemic. The extent to which any new wave of COVID-19 will impact the bank's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

Our opinion is not modified in respect of this matter.

Emphasis of Matter – June 30, 2021

We draw attention to Note 3.4 of the of Schedule 18 to the financial statements, which describes the extent to which the COVID-19 pandemic will continue to impact the Bank's financial statements will depend on future developments, which are uncertain.

Our opinion is not modified in respect of this matter.

Emphasis of Matter – March 31, 2022

We draw attention to Note 4.6 to the financial statements, which describes the extent to which the COVID-19 pandemic will continue to impact the Bank's financial statements will depend on future developments, which are uncertain.

Our opinion is not modified in respect of this matter.

Emphasis of Matter – March 31, 2021

We draw attention to Note 3.3 of the Schedule 18 to the financial statements, which describes the extent to which the COVID-19 pandemic will continue to impact the Bank's financial statements will depend on future developments, which are uncertain.

Our opinion is not modified in respect of this matter.

Emphasis of Matter – March 31, 2020

We draw attention to Schedule 18(3.1) to the financial statements, which describes that the extent to which the COVID-19 Pandemic will impact the Bank's financial statements will depend on future developments, which are highly uncertain. Considering the circumstances as described in Schedule 18(3.1) to the financial statements, the Bank has made a provision of Rs. 7.7 Crores for the year ended March 31, 2020.

Our opinion is not modified in respect of this matter.

- c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements
 8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the report on the audited financial statements mentioned in paragraph 4 above.
 9. In our opinion, the Restated Financial Information, read with Summary of Significant Accounting Policies disclosed in Note 2 of Schedule 17, accompanying this report, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
 10. 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 Previous Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
 11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 12. Our report is intended solely for use of the Board of Directors for inclusion in the offer documents to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and the RoC Chandigarh in connection with proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. 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 report is shown or into whose hands it may come without our prior consent in writing.

For **T R Chadha & Co LLP**

Chartered Accountants

Firm's Registration No.: 006711N/ N500028

Hitesh Garg

Partner

Membership No.: 502955

UDIN: 22502955AQOVWI9186

Place: New Delhi

Date: 01-09-2022

Annexure 1- Restated Statement of Assets and Liabilities

(All amounts in ₹ million except otherwise stated)

PARTICULARS	Annexure	As on June 30, 2022	As on June 30, 2021	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
<u>CAPITAL & LIABILITIES</u>						
Capital	6	342.34	340.03	340.44	339.10	338.07
Reserve and Surplus	7	5,019.85	4,302.00	4,817.37	4,168.80	3,729.73
Deposits	8	61,622.95	54,829.03	60,463.59	52,210.70	44,466.23
Borrowings	9	5,648.10	5,424.40	4,984.30	6,167.20	4,209.20
Other Liabilities and provisions	10	969.17	763.03	933.51	826.58	555.54
Total		73,602.41	65,658.49	71,539.21	63,712.38	53,298.77
<u>ASSETS</u>						
Cash and Balances with Reserve Bank of India	11	4,203.39	8,191.54	3,639.95	7,217.24	2,212.33
Balances with Banks and Money at call and Short Notice	12	6,970.31	7,435.27	6,550.61	5,686.99	5,945.16
Investments	13	13,788.88	11,819.12	13,570.63	12,122.52	10,518.75
Advances	14	46,664.16	36,421.95	46,348.00	37,268.86	33,083.08
Fixed assets	15	841.10	851.25	835.87	865.54	906.24
Other Assets	16	1,134.57	939.36	594.15	551.23	633.21
Total		73,602.41	65,658.49	71,539.21	63,712.38	53,298.77
Contingent Liabilities	17	394.73	358.85	456.21	383.51	370.71
Bills for Collection		-	-	-	-	-
Significant Accounting Policies	5					
Notes forming part of the Restated Financial Statements	22					

The annexures referred to above form an integral part of the restated statement of assets and liabilities. The Restated Statement of Assets and Liabilities has been prepared in conformity with Form A to the Third Schedule of the Banking Regulation Act, 1949.

As per our report of even date

For T R Chadha & Co. LLP
Chartered Accountants
FRN: 006711N/N500028

Hitesh Garg
Partner
Membership No.: 502955

Date : September 01, 2022
Place : New Delhi

For and on behalf of The Board of
Capital Small Finance Bank Limited

Sarvjit Singh Samra Rakesh Soni Gurpreet Singh Chug
Managing Director & Director Director
Chief Executive Officer
DIN: 00477444 DIN: 07262045 DIN: 01003380

Munish Jain
Chief Financial Officer &
Chief Operating Officer
Date : September 01, 2022
Place : Jalandhar

Amit Sharma
Company Secretary
Mem. No. FCS10888

Annexure 2- Restated Statement of Profit and Loss

(All amounts in ₹ million except otherwise stated)

PARTICULARS	Annexure	Quarter ended June 30, 2022 (3 months)	Quarter ended June 30, 2021 (3 months)	Year ended March 31, 2022 (12 months)	Year ended March 31, 2021 (12 months)	Year ended March 31, 2020 (12 months)
INCOME						
Interest Earned	18	1,524.83	1,364.36	5,782.18	5,114.39	4,581.35
Other Income	19	104.30	109.83	541.85	458.34	429.61
Total		1,629.13	1,474.19	6,324.03	5,572.73	5,010.96
EXPENDITURE						
Interest Expended	20	826.22	793.87	3,229.36	3,128.28	2,855.12
Operating Expenses	21	516.89	454.24	1,962.53	1,729.59	1,633.33
Provisions and Contingencies (Refer note 46 of Annexure 22)		103.19	104.25	506.45	307.02	268.69
Total		1,446.30	1,352.36	5,698.34	5,164.89	4,757.14
PROFIT						
Net profit for the period		182.83	121.83	625.69	407.84	253.82
Profit brought forward		1,670.21	1,262.88	1,262.88	987.72	837.67
Total		1,853.04	1,384.71	1,888.57	1,395.56	1,091.49
APPROPRIATIONS						
Transfer to Statutory Reserves		-	-	156.42	101.96	63.45
Transfer to Special Reserve		-	-	18.04	6.92	1.12
Transfer to/ (from) Revenue and Other Reserves (Investment Reserve Account)		-	-	0.14	(0.14)	-
Transfer to Revenue and Other Reserves (Investment Fluctuation Reserve)		-	-	16.56	23.94	31.94
Dividend		-	-	27.20	-	6.02
Tax on Dividend		-	-	-	-	1.24
Balance carried over to Balance sheet		1,853.04	1,384.71	1,670.21	1,262.88	987.72
Total		1,853.04	1,384.71	1,888.57	1,395.56	1,091.49
EARNING PER SHARE						
Basic (₹)		5.35*	3.59*	18.41	12.04	8.18
Diluted (₹)		5.34*	3.57*	18.22	11.98	8.16
Face value (₹)		10.00	10.00	10.00	10.00	10.00
<i>*not-annualized</i>						
Significant Accounting Policies	5					
Notes forming part of the Restated Financial Statements	22					

The annexures referred to above form an integral part of the restated statement of profit and loss. The Restated Statement of Profit and Loss has been prepared in conformity with Form A to the Third Schedule of the Banking Regulation Act, 1949.

As per our report of even date

For T R Chadha & Co. LLP
Chartered Accountants
FRN: 006711N/N500028

Hitesh Garg
Partner
Membership No.: 502955

Date : September 01, 2022
Place : New Delhi

For and on behalf of The Board of
Capital Small Finance Bank Limited

Sarvjit Singh Samra Rakesh Soni Gurpreet Singh Chug
Managing Director & Director Director
Chief Executive Officer
DIN: 00477444 DIN: 07262045 DIN: 01003380

Munish Jain Amit Sharma
Chief Financial Officer & Company Secretary
Chief Operating Officer Mem. No. FCS10888
Date : September 01, 2022
Place : Jalandhar

Annexure 3- Restated Statement of Cash Flows
(All amounts in ₹ million except otherwise stated)

PARTICULARS	Quarter ended June 30, 2022 (3 months)	Quarter ended June 30, 2021 (3 months)	Year ended March 31, 2022 (12 months)	Year ended March 31, 2021 (12 months)	Year ended March 31, 2020 (12 months)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>					
Net Profit before Taxes	243.34	161.52	844.89	537.37	345.82
Adjustments For-					
Depreciation Charge on Fixed Assets	66.98	41.42	161.16	164.92	153.37
Loan Loss Provision	42.68	64.56	287.25	177.49	176.69
(Profit)/ Loss on Sale of Fixed Assets	0.12	0.02	0.06	(0.01)	0.18
Employee Stock Option Expense	3.48	3.25	38.35	22.12	16.12
Depreciation/ (Reversal of Depreciation) on Investments	-	(0.24)	(0.24)	0.24	(0.06)
	356.60	270.53	1,331.47	902.13	692.12
Adjustments For-					
(Increase) in Term Deposits with other Banks	(141.18)	(1,495.42)	(722.31)	(1,159.63)	(144.89)
Decrease/ (Increase) In Investments	(218.25)	303.64	(1,447.86)	(1,604.02)	(1,907.45)
Decrease/ (Increase) In Advances	(365.27)	821.39	(9,257.16)	(4,374.22)	(7,167.85)
Increase In Deposits	1,159.36	2,618.33	8,252.89	7,744.47	7,793.65
Decrease/ (Increase) In Other Assets	(532.42)	(389.08)	(28.13)	81.03	46.49
(Decrease)/ Increase In Other Liabilities & Provisions	22.72	(112.01)	(28.39)	282.00	1.62
Direct Taxes Paid (net of refunds)	281.56	2,017.38	(1,899.51)	1,871.76	(686.31)
	(49.13)	(29.31)	(207.90)	(128.58)	(112.81)
NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES	232.43	1,988.07	(2,107.41)	1,743.18	(799.12)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>					
Purchase of Fixed Assets	(72.72)	(27.26)	(134.94)	(129.26)	(225.63)
Proceeds from Sale of Fixed Assets	0.39	0.11	3.39	5.05	1.04
NET CASH FLOW USED IN INVESTING ACTIVITIES	(72.33)	(27.15)	(131.54)	(124.21)	(224.59)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>					
Net Proceeds from equity shares issued under preferential allotment on private placement basis/ ESOP allotment	18.06	9.04	13.07	10.14	1,301.89
Net Proceeds from the new issue of Unsecured Redeemable Non-Convertible Bonds/ (Redemption of Bonds)	321.70	226.20	226.20	314.00	(169.60)
Net Increase/ (Decrease) in Borrowings/Refinance	342.10	(969.00)	(1,409.10)	1,644.00	795.00
Dividend Payment (including Corporate Dividend Tax)	-	-	(27.20)	-	(7.25)
NET CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES	681.86	(733.76)	(1,197.03)	1,968.14	1,920.04
Net Increase/ (Decrease) in Cash & Cash Equivalents	841.96	1,227.16	(3,435.98)	3,587.11	896.32
Cash & Cash Equivalents in the beginning of the period	3,975.30	7,411.28	7,411.28	3,824.16	2,927.84
Cash & Cash Equivalents at the end of the period	4,817.25	8,638.44	3,975.30	7,411.28	3,824.16

Notes-

- The above 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 (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
- Figures in bracket indicate cash outflow.

As per our report of even date

For T R Chadha & Co. LLP
Chartered Accountants
FRN: 006711N/N500028

Hitesh Garg
Partner
Membership No.: 502955

Date : September 01, 2022
Place : New Delhi

For and on behalf of The Board of
Capital Small Finance Bank Limited

Sarvjit Singh Samra
Managing Director &
Chief Executive Officer
DIN: 00477444

Rakesh Soni
Director
DIN: 07262045

Gurpreet Singh Chug
Director
DIN: 01003380

Munish Jain
Chief Financial Officer &
Chief Operating Officer

Amit Sharma
Company Secretary
Mem. No. FCS10888

Date : September 01, 2022
Place : Jalandhar

Annexure 4- Statement of Adjustments to Audited Financial Statements

1. Material Adjustments, Change in Accounting Policy and Change in Estimates

The accounting policies and estimates as at and for the quarter ended June 30, 2022 are materially consistent with the policies adopted for each of the quarter ended June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020. However, during the quarter ended June 30, 2022, estimated useful life of Office Equipment and Automated Teller Machines (ATMs) have been revised. Depreciation on these assets has been charged prospectively over the revised useful life of assets. Consequently, Profit After Tax for the quarter ended June 30, 2022 was lower by ₹20.40 million.

Restated Financial Statements have been prepared based on the respective audited financial statements for the quarters ended June 30, 2022 and 2021 and years ended March 31, 2022, 2021 and 2020.

2. Non-adjusting items

2.1 Emphasis of matter paragraph in auditor's report

Emphasis of matter paragraphs included in the auditors' report on the financial statements as at and for the quarters ended June 30, 2022 and June 30 2021 and for the years ended March 31, 2022 and March 31 2021 which does not require any corrective adjustment in the Restated Financial Information, are as follows:

Emphasis of Matter – June 30, 2022

We draw attention to Note 4.6 of the of Schedule 18 to the financial statements regarding the impact of the Covid 19 pandemic. The extent to which any new wave of COVID-19 will impact the bank's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

Our opinion is not modified in respect of this matter.

Note 25.6.1 of restated financial statements represents the note 3.4 of the of Schedule 18 of the audited financial statements for the quarters ended June 2022.

Emphasis of Matter – June 30, 2021

We draw attention to Note 3.4 of the of Schedule 18 to the financial statements, which describes the extent to which the COVID-19 pandemic will continue to impact the Bank's financial statements will depend on future developments, which are uncertain.

Our opinion is not modified in respect of this matter.

Note 25.6.2 of restated financial statements represents the note 3.4 of the of Schedule 18 of the audited financial statements for the quarters ended June 2021.

Emphasis of Matter – March 31, 2022

We draw attention to Note 4.6 to the financial statement, which describes that the extent to which any new wave of COVID-19 impact the Bank's results is uncertain as it depends upon the future trajectory of the pandemic.

Our opinion is not modified in respect of this matter.

Note 25.6.3 of restated financial statements represents the note 4.6 of the of Schedule 18 of the audited financial statements for the year ended March 2022.

Emphasis of Matter – March 31, 2021

We draw attention to note 3.3 of the of Schedule 18 to the financial statements, which describes the extent to which the COVID-19 pandemic will continue to impact the Bank's financial statements will depend on future developments, which are uncertain.

Our opinion is not modified in respect of this matter.

Note 25.6.4 of restated financial statements represents the note 3.3 of the of Schedule 18 of the audited financial statements for the year ended March 2021.

Emphasis of Matter – March 31, 2020

We draw attention to Schedule 18(3.1) to the financial statements, which describes that the extent to which the COVID-19 Pandemic will impact the Bank's Financial statements will depend on future developments, which are highly uncertain. Considering the circumstances as described in Schedule 18(3.1)10 the Financial statements, the Bank has made a provision of 7.7 crores for the year ended March 31, 2020.

Our opinion is not modified in respect of this matter.

Note 25.6.5 of restated financial statements represents the note 3.1 of the of Schedule 18 of the audited financial statements for the year ended March 2020.

3. Material 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 flows in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended), by 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 quarter ended June 30, 2022.

As per the Master Direction on Financial Statements - Presentation and Disclosures issued by the RBI dated August 30, 2021, provision/ (write-back) of mark-to-market depreciation on investments in AFS and HFT categories (net) has been classified under Other Income. Hitherto, the Bank was classifying such Provisions / (write-back) under Provisions and Contingencies.

Further, in Annexure 7- Restated Statement of Reserves and Surplus, sub-heads of Investment Reserve Account and Investment Fluctuation Reserve have been merged into Revenue and Other Reserves sub-head.

For the quarter ended June 2021

(₹ in millions)

Particulars	As per Audited Financials for June 30, 2021	Changes due to Regrouping	Balance after Regrouping
Profit and Loss			
Other Income	109.59	0.24	109.83
Provisions and Contingencies	104.01	0.24	104.25

Particulars	As per Audited Financials for June 30, 2021	Changes due to Regrouping	Balance after Regrouping
Reserve and Surplus			
Investment Reserve Account	13.00	(13.00)	-
Investment Fluctuation Reserve	67.95	(67.95)	-
Revenue and Other Reserves	19.06	80.95	100.01

For the year ended March 2021

(₹ in millions)

Particulars	As per Audited Financials for March 31, 2021	Changes due to Regrouping	Balance after Regrouping
Profit and Loss			
Other Income	458.58	(0.24)	458.34
Provisions and Contingencies	307.26	(0.24)	307.02

Particulars	As per Audited Financials for March 31, 2021	Changes due to Regrouping	Balance after Regrouping
Reserve and Surplus			
Investment Reserve Account	13.00	(13.00)	-
Investment Fluctuation Reserve	67.95	(67.95)	-
Revenue and Other Reserves	26.39	80.95	107.34

For the year ended March 2020

(₹ in millions)

Particulars	As per Audited Financials for March 31, 2020	Changes due to Regrouping	Balance after Regrouping
Profit and Loss			
Other Income	429.55	0.06	429.61
Provisions and Contingencies	268.63	0.06	268.69

Particulars	As per Audited Financials for March 31, 2020	Changes due to Regrouping	Balance after Regrouping
Reserve and Surplus			
Investment Reserve Account	13.14	(13.14)	-
Investment Fluctuation Reserve	44.01	(44.01)	-
Revenue and Other Reserves	16.13	57.15	73.28

(₹ in millions)

Particulars	As per Audited Financials for March 31, 2020	Changes due to Regrouping	Balance after Regrouping
Assets and Liabilities			
Other Liabilities and Provisions- Bills Payable	179.63	(0.26)	179.37
Other Liabilities and Provisions- Others (including provisions)	133.45	0.26	133.71

4. Material Errors

There are no material errors that require any adjustment in the Restated Financial Statements.

Annexure 5- Significant Accounting Policies forming part of the Restated Financial Statements

5.1 CORPORATE INFORMATION

Capital Small Finance Bank Limited ('the Bank'), a banking company incorporated under the Companies Act, 1956, is engaged in providing a wide range of banking and financial services including retail & commercial banking and treasury operations. The Bank is governed by the Banking Regulation Act, 1949 and the Companies Act, 2013. The name of the Bank has been included in the Second Schedule to the Reserve Bank of India Act, 1934 vide Reserve Bank of India ('the RBI' or 'RBI') notification dated February 16, 2017. The Bank operates in India and does not have any branch outside India.

5.2 BASIS OF PREPARATION

The Restated Financial Information of the Bank comprise of the Restated Statement of Assets and Liabilities as at June 30, 2022, June 30, 2021, March 31, 2022, 2021 and 2020, the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for the quarters ended June 30, 2022 and June 30, 2021 and for each of the years ended March 31, 2022, 2021 and 2020, the summary statement of significant accounting policies and other explanatory information (collectively, the "Restated Financial Information"). The Restated Financial Information is prepared by the management of the Bank for the purpose of inclusion in addendum to be filed against the Draft Red Herring Prospectus ("DRHP")/ Red Herring Prospectus ("RHP") and Prospectus (collectively referred as the "Offer Documents") filed in connection with its proposed Initial Public Offer of equity shares ("IPO") in terms of requirements of:

- a. Section 26 of Part I of Chapter III of The Companies Act, 2013 (the "Act");
- b. Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("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').

The Restated Financial Information have been compiled by the management from the audited interim financial statements of the Bank as at and for the three month ended June 30, 2022 and June 30, 2021 and audited financial statements of the Bank as at and for each of the years ended March 31, 2022, 2021 and 2020 -

- a. prepared in compliance with the generally accepted accounting principles in India ("Indian GAAP") and in accordance with statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the RBI from time to time (RBI guidelines), Accounting Standards referred to in Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment rules, 2016 to the extent applicable and practices prevailing within the banking industry in India, which have been approved by the Board of Directors at their meeting held on September 01, 2022, September 23, 2021, May 13, 2022, May 11, 2021 and May 16, 2020 respectively;
- b. prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, March 31 2020 and three month ended June 30, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the three-month period ended June 30, 2022;
- c. there are no qualifications in the auditors' reports on the audited financial statements of the Bank as at and for the three month periods ended June 30, 2022 and June 30, 2021 and as at and for years ended March 31, 2022, 2021 and 2020; and
- d. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note

The Restated Financial Information have been prepared under the historical cost convention and on accrual basis except where otherwise stated.

The Restated Financial Information are presented in Indian Rupees rounded off to the nearest millions unless otherwise stated.

5.3 USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The management believes that the estimates used in preparation of financial statements are prudent and reasonable. Actual results could differ from estimates and the differences between the actual results and the estimates are recognized prospectively in the period in which the results are known/materialized.

5.4 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

- 5.4.1 Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment if any. The cost of an asset comprises its purchase price and any cost directly attributable to bringing the asset to its working condition and location for its intended use. Subsequent expenditure on fixed assets after its purchase is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
- 5.4.2 Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the duration of the primary lease period or useful life whichever is less.
- 5.4.3 Intangible assets are amortized on a straight-line basis over their estimated useful life. The amortization period is reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.
- 5.4.4 The rates of depreciation for key fixed assets, which are not lower than the rates, calculated on the basis of the useful life specified in the Schedule II to the Companies Act, 2013, is as follows-

Asset	Depreciation rate per annum
Computers	33.33%
Automated Teller Machines (ATMs)	9.50%
Mobile Phones	33.33%
Cash Sorting Machines	33.33%
Software and System Development Expenditure	20.00%

- 5.4.5 All other Assets are depreciated on the rates, calculated on the basis of useful life specified in the Schedule II to the Companies Act, 2013, as detailed below-

Asset	Depreciation rate per annum
Plant and Machinery	6.33%
Office Equipment	19.00%
Furniture & Fixture	9.50%
Motor Car	11.88%
Two Wheeler	9.50%
Cycle	9.50%

- 5.4.6 Assets purchased/sold during the period are depreciated on a pro-rata basis.
- 5.4.7 An item of fixed asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on de-recognition is recognized in the Profit & Loss account.
- 5.4.8 Gains or losses arising from disposal or retirement of tangible fixed assets are measured as the difference between the net disposal proceeds & the carrying amount of the asset and are recognized on net basis, within "Other Income" as Profit/(Loss) on sale of fixed asset, as the case maybe, in the Profit and Loss account in the period of disposal or retirement.
- 5.4.9 Assets individually costing up to ₹5,000/- are depreciated fully in the year of acquisition. Further, profit on sale of premises by the Bank is appropriated to capital reserve, net of transfer to Statutory Reserve and taxes, in accordance with RBI guidelines.

5.5 IMPAIRMENT OF ASSETS

The carrying amount of fixed assets is reviewed at the Balance Sheet date to determine if there are any indications of impairment based on internal/ external factors. In case of impaired assets, the impairment loss i.e. the amount by which the carrying amount of the asset exceeds its recoverable value is charged to the Profit and Loss account to the extent the carrying amount of fixed assets exceeds its estimated recoverable amount.

5.6 INVESTMENTS

Classification and valuation of the Bank's investments are carried out in accordance with the RBI guidelines which are as follows:

5.6.1 Categorization of Investments

The Bank classifies its investment at the time of purchase into one of the following three categories:

- ✓ Held to Maturity (HTM) – Securities acquired with the intention to hold till maturity.
- ✓ Held for Trading (HFT) – Securities acquired with the intention to trade.
- ✓ Available for Sale (AFS) – Securities which do not fall within the above two categories.

5.6.2 Classification of Investments

For the purpose of disclosure in the Balance Sheet, investments in India are classified under six groups viz., (i) Government Securities, (ii) Other Approved Securities, (iii) Shares, (iv) Debentures and Bonds, (v) Investments in Subsidiaries and/or Joint Ventures and (vi) Other Investments.

Investments outside India are classified under three groups viz., (i) Government Securities (Including local authorities), (ii) Subsidiaries and/or Joint Ventures abroad and (iii) Other Investments.

5.6.3 Acquisition cost

5.6.3.1 Brokerage, commission, etc. pertaining to investments, paid at the time of acquisition is charged to the Profit and Loss account.

5.6.3.2 Cost of investments is computed based on the weighted average cost method.

5.6.4 Valuation of Investments

5.6.4.1 Held to Maturity – Each security in this category is carried at its acquisition cost or amortized cost. Any premium on acquisition of the security is amortized over the balance period to maturity. The amortized amount is classified under Interest earned – Income on investments (Item II of Annexure 18). The book value of the security is reduced to the extent of amount amortized during the relevant accounting period. Diminution, other than temporary, is determined and provided for each investment individually.

5.6.4.2 Held for Trading – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification is ignored, while net depreciation is provided for.

5.6.4.3 Available for Sale – Securities are valued scrip-wise and depreciation / appreciation is aggregated for each classification. Net appreciation in each classification, is ignored, while net depreciation is provided for.

5.6.4.4 Market value of government securities (excluding treasury bills) is determined on the basis of the prices / YTM declared by the Primary Dealers Association of India (PDAI) jointly with the Financial Benchmark India Private Limited (FBIL).

5.6.4.5 Treasury bills are valued at carrying cost, which includes discount amortized over the period to maturity.

5.6.4.6 Unquoted equity shares are valued at the break-up value, if latest balance sheet is available or at ₹1 as per the RBI guidelines.

5.6.4.7 Security purchase and sale transactions are recorded under Settlement Date method of accounting.

5.6.4.8 Provision for non-performing investments is made in conformity with the RBI guidelines.

5.6.4.9 Profit in respect of investments sold from HTM category is included in the Profit on Sale of Investments and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such profits) is appropriated from the Profit and Loss account to Capital Reserve account.

5.6.4.10 In the event, provisions created on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year, the excess is credited to the Profit and Loss account and an equivalent amount (net of taxes, if any, and net of transfer to Statutory Reserves as applicable to such excess provisions) is appropriated to an Investment Reserve Account (IRA) which forms the part of Revenue and Other Reserves under the head Reserve and Surplus in Balance Sheet. The balance in IRA is used to meet provision on account of depreciation in AFS and HFT categories by transferring an equivalent amount to the Profit and Loss Appropriation account as and when required.

5.6.4.11 Units of the scheme of Mutual Funds are valued at the lower of cost and Net asset value (NAV) provided by the respective schemes of Mutual Funds.

5.6.4.12 In accordance with the RBI guidelines, repurchase and reverse repurchase transactions in government securities and corporate debt securities are reflected as borrowing and lending transactions respectively.

5.6.4.13 Borrowing cost on repo transactions is accounted for as interest expense and revenue on reverse repo transactions is accounted for as interest income.

5.6.5 Broken period Interest

Broken period interest on debt instruments is treated as a Revenue item.

5.6.6 Transfer of Security between Categories

Transfer of Securities from one category to another is carried out as per the RBI guidelines at acquisition cost or book value or market value, whichever is lower, on the date of transfer and the depreciation, if any, on such transfer is fully provided for.

5.7 ADVANCES

- 5.7.1 Advances are classified as per the RBI guidelines into standard, sub-standard, doubtful and loss assets. Advances are stated net of specific loan loss provision.
- 5.7.2 Specific provisions for non-performing advances and floating provisions are made in conformity with the RBI guidelines.
- 5.7.3 In addition, the Bank considers accelerated provisioning based on past experience, evaluation of securities and other related factors.
- 5.7.4 Provisions on Standard Assets are made @ 0.40% of the outstanding advances. Further, as per the RBI guidelines, the standard asset provisioning on individual housing loans sanctioned on and after June 07, 2017, is made @ 0.25%. However, provision for banks direct advances to agriculture and SME sectors is made @ 0.25%, medium enterprises sector is made @ 0.4%, commercial real estate sector is made @ 1% and housing loans at teaser rates @ 2% in pursuance to the RBI circulars issued from time to time. Further the same is shown under the head 'Other Liabilities and Provisions' of the restated statement of assets and liabilities.
- 5.7.5 Amounts recovered during the period against bad debts written off in earlier accounting periods are credited to the Profit and Loss account.
- 5.7.6 Provision no longer considered necessary in the context of the current status of the borrower as a performing asset, are written back to the Profit and Loss account to the extent such provisions were charged to the Profit and Loss account.
- 5.7.7 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 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). Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made and classification thereof is as per the extant RBI guidelines. Provision for restructuring is considered at borrower level.
- 5.7.8 The Bank enters into transactions for the sale/purchase of Priority Sector Lending Certificates (PSLCs) through the RBI platform. There is no transfer of risks or loan assets. The net fee received for the sale of PSLCs is recorded as 'Miscellaneous Income' (Annexure 19) and the net expense paid on purchase of PSLC is recorded as 'Miscellaneous Expense' (Annexure 21).

5.8 NET PROFITS

The Net Profits have been arrived at after:

- ✓ Provisions for Income Tax in accordance with the statutory requirements
- ✓ Provisions on Advances
- ✓ Adjustments to the value of Investments
- ✓ Other usual and necessary provisions

5.9 REVENUE RECOGNITION

Income is accounted on Accrual basis except in the following cases:

- ✓ Income on Non-Performing Assets is recognized on realization basis as per the RBI guidelines.
- ✓ Interest which remains overdue for 90 days on securities not covered by Government Guarantee is recognized on realization basis as per the RBI guidelines.
- ✓ Commission (other than on Deferred Payment Guarantees and Government Transactions), Exchange and Brokerage are recognized on realization basis. However, Commission, Exchange and Brokerage on loan accounts is recognized as and when charged to the borrower account.
- ✓ Interest on Overdue Bills is recognized on Realization Basis as per the RBI guidelines.

5.10 EMPLOYEE BENEFITS

- 5.10.1 **Provident Fund:** As per the statute, contribution towards provident fund for certain employees is made to the regulatory authorities, where the Bank has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Bank does not carry any further obligations, apart from the contributions made on a monthly basis.

- 5.10.2 **Gratuity:** Every employee is entitled to a benefit equivalent to 15 days' salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Bank or retirement, whichever is earlier. The benefits vest after five years of continuous service.

The Gratuity scheme of the Bank is a defined benefit scheme and the expense for the period is recognized on the basis of actuarial valuation at the Balance Sheet date. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial losses/ gains are recognized in the Profit and Loss Account in the year in which they arise. Payment obligations under the Group Gratuity scheme are managed through a fund maintained by ICICI Prudential Life Insurance under separate Trust set up by the Bank.

- 5.10.3 **Compensated absences:** Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date. The actuarial valuation is carried out using the Projected Unit Credit Method.

- 5.10.4 **Share-based payments:** The measurement and disclosure of employee stock options offered by the Bank is as per 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 for stock options granted after the period ending March 31, 2021 is measured using the fair value method and for stock options granted prior to such period, is measured using the intrinsic value method. The costs are recognized, together with a corresponding increase in the 'Stock options outstanding account' under Annexure 7- Restated Statement of Revenue & Other Reserves Account. 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 statement of profit and loss 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.

- 5.10.5 **The Code on Social Security, 2020** relating to employee benefits during employment and post-employment benefits has received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified.

5.11 LEASE

- 5.11.1 Lease arrangements where risk and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases.
- 5.11.2 Lease rentals under operating lease are charged to the Profit and Loss account on straight line basis over the lease term in accordance with AS-19, Leases.

5.12 SEGMENT REPORTING

The disclosure relating to segment information is in accordance with AS-17, Segment Reporting and as per the RBI guidelines.

Business Segment

The Bank's business has been segregated into four segments namely Treasury, Wholesale Banking, Retail Banking and other Banking Operations.

Geographical Segment

Since the business operations of the Bank are primarily concentrated in India, the Bank is considered to operate only in the domestic segment.

5.13 EARNINGS PER SHARE

- 5.13.1 Earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- 5.13.2 Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as at end of the period except when its results are anti-dilutive.

5.14 TAXES

Tax expenses comprise of current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized, in general, only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized; where there is unabsorbed depreciation and/or carry forward of losses under tax laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax asset can be realized against future taxable income.

Current tax assets and liabilities and deferred tax assets and liabilities are off-set when they relate to income taxes levied by the same taxation authority, when the Bank has a legal right to off-set and when the Bank intends to settle on a net basis.

Current tax assets and liabilities and deferred tax assets and liabilities are calculated at the rates u/s Section 115 BAA of the Income Tax Act 1961. Accordingly, as per the section 115 JB, Minimum Alternate Tax is not applicable.

5.15 PROVISIONS AND CONTINGENT LIABILITIES & CONTINGENT ASSETS

- 5.15.1 A provision is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- 5.15.2 A disclosure of contingent liability is made when there is:
- ✓ possible obligation arising from a past event, 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
 - ✓ 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 the obligation cannot be made.
- 5.15.3 When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
- 5.15.4 Contingent assets, if any, are not recognized in the financial statements since this may result in the recognition of income that may never be realized.
- 5.15.5 In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made in the financial statements. In case of remote possibility, neither provision nor disclosure is made in the financial statements.

5.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand (including balance in ATM), balances with the RBI, balances with other banks in current accounts and money at call and short notice.

5.17 TRANSACTION INVOLVING FOREIGN EXCHANGE

- 5.17.1 All transactions in foreign currency are recognized at the exchange rate as notified by the Foreign Exchange Dealers Association of India (FEDAI).
- 5.17.2 Foreign currency monetary items are reported using the exchange rate prevailing at the Balance Sheet date.
- 5.17.3 Non-monetary items which are measured in terms of historical cost denominated in foreign currency are reported using the exchange rate as notified by Foreign Exchange Dealers Association of India (FEDAI) at the date of transaction. Non-monetary items which are measured at Fair Value or other similar value denominated in a foreign currency are translated using the exchange rate at the date when such value is determined.
- 5.17.4 Exchange differences arising on settlement of monetary items or on reporting of such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise.

Annexures forming part of the Restated Statement of Assets and Liabilities

(All amounts in ₹million except otherwise stated)

PARTICULARS	As on June 30, 2022	As on June 30, 2021	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
<u>ANNEXURE 6- RESTATED STATEMENT OF CAPITAL</u>					
<u>Authorised Capital</u>					
5,00,00,000 equity shares of ₹10 each (5,00,00,000- March 31, 2022; June 30, 2021; March 31, 2021 and 3,50,00,000- March 31, 2020)	500.00	500.00	500.00	500.00	350.00
<u>Issued, Subscribed and Paid-up Capital</u>					
3,42,34,104 equity shares issued of ₹10 each fully paid-up (March 31, 2022- 3,40,44,091; June 30, 2021- 3,40,02,967; March 31, 2021- 3,39,10,681 and March 31, 2020- 3,38,07,217)	342.34	340.03	340.44	339.10	338.07
Total	342.34	340.03	340.44	339.10	338.07
<u>ANNEXURE 7 – RESTATED STATEMENT OF RESERVES AND SURPLUS</u>					
I. Statutory Reserves					
Opening Balance	729.60	573.18	573.18	471.22	407.77
Additions during the period	-	-	156.42	101.96	63.45
Total	729.60	573.18	729.60	573.18	471.22
II. Capital Reserves					
Opening Balance	0.16	0.16	0.16	0.16	0.16
Total	0.16	0.16	0.16	0.16	0.16
III. Special Reserves					
Opening Balance	36.42	18.38	18.38	11.45	10.33
Additions during the period	-	-	18.04	6.93	1.12
Total	36.42	18.38	36.42	18.38	11.45
IV. Share Premium					
Opening Balance	2,233.89	2,206.86	2,206.86	2,185.90	937.27
Additions during the period	38.84	18.70	27.03	20.96	1,289.01
Deductions during the period	-	-	-	-	(40.38)
Total	2,272.73	2,225.56	2,233.89	2,206.86	2,185.90
V. Revenue and Other Reserves					
Opening Balance	147.09	107.34	107.34	73.28	25.21
Additions during the period	3.72	3.25	55.04	46.06	48.07
Deductions during the period	22.92	10.58	15.29	12.00	-
Total	127.89	100.01	147.09	107.34	73.28
VI. Balance in Profit & Loss Account	1,853.05	1,384.71	1,670.21	1,262.88	987.72
Grand Total	5,019.85	4,302.00	4,817.37	4,168.80	3,729.73

PARTICULARS	As on June 30, 2022	As on June 30, 2021	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
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ANNEXURE 8 – RESTATED STATEMENT OF DEPOSITS

A I Demand Deposits					
From banks	0.12	0.62	0.02	0.65	2.20
From others	2,205.60	2,035.53	2328.96	2,072.01	1,330.97
II. Saving Bank Deposits	24,377.70	20,158.31	23,165.03	18,853.68	14,813.57
III Term deposits					
From banks	434.75	840.57	809.36	565.45	1,722.67
From others	34,604.78	31,794.00	34,160.22	30,718.91	26,596.82
Total	61,622.95	54,829.03	60,463.59	52,210.70	44,466.23
B I Deposits of branches in India	61,622.95	54,829.03	60,463.59	52,210.70	44,466.23
II Deposits of branches outside India	-	-	-	-	-
Total	61,622.95	54,829.03	60,463.59	52,210.70	44,466.23

ANNEXURE 9- RESTATED STATEMENT OF BORROWINGS

I. Borrowings in India					
i) Reserve Bank of India	-	-	-	-	810.00
ii) Other Banks	-	-	-	-	-
iii) Other Institutions and Agencies	3,179.00	3,277.00	2,836.90	4,246.00	1,792.00
iv) Unsecured Redeemable Non-Convertible Bonds (Subordinated debt - Tier II Capital)	2,079.10	1,757.40	1,757.40	1,531.20	1,217.20
v) Hybrid debt Capital instrument issued as debentures	390.00	390.00	390.00	390.00	390.00
II. Borrowings outside India	-	-	-	-	-
Total (I + II)	5,648.10	5,424.40	4,984.30	6,167.20	4,209.20
Secured Borrowings included in I and II above	3,179.00	3,277.00	2836.90	4,246.00	2,602.00

ANNEXURE 10- RESTATED STATEMENT OF OTHER LIABILITIES AND PROVISIONS

I. Bills Payable	403.13	266.91	333.77	419.44	179.37
II. Inter-office adjustments (net)	-	3.75	3.98	-	0.36
III. Interest accrued	69.68	63.16	55.51	53.59	56.33
IV. Provision for taxes (net of taxes paid in advance/ TDS)	45.48	9.43	26.09	-	-
V. Others (including provisions)	173.28	205.93	230.12	178.74	133.71
VI. Contingent provision against standard assets	277.60	213.85	284.04	174.81	185.77
Total	969.17	763.03	933.51	826.58	555.54

ANNEXURE 11- RESTATED STATEMENT OF CASH AND BALANCE WITH RESERVE BANK OF INDIA

I. Cash in hand (including Cash at ATM)	657.58	628.00	552.57	579.61	610.17
II. Balance with Reserve Bank of India					
a) in Current Accounts	2,885.81	2,293.54	2,517.38	1,917.63	1,602.16
b) in Other Accounts	660.00	5,270.00	570.00	4,720.00	-
Total (I +II)	4,203.39	8,191.54	3,639.95	7,217.24	2,212.33

ANNEXURE 12- RESTATED STATEMENT OF BALANCE WITH BANKS AND MONEY AT CALL & SHORT NOTICE

I. In India					
I) Balance with banks					
a) in Current Accounts	613.87	446.89	335.35	194.04	112.19
b) in Other Deposit Accounts	6,356.44	6,988.38	6,215.26	5,492.95	4,333.33
II) Money at call and short notice					
a) With Banks	-	-	-	-	-
b) With other Institutions	-	-	-	-	1,499.64
Total (I)	6,970.31	7,435.27	6,550.61	5,686.99	5,945.16

PARTICULARS	As on June 30, 2022	As on June 30, 2021	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
II Outside India					
a) in Current Accounts	-	-	-	-	-
b) in Other Deposits Accounts	-	-	-	-	-
c) Money at call and short notice	-	-	-	-	-
Total (II)	-	-	-	-	-
Grand Total (I+II)	6,970.31	7,435.27	6,550.61	5,686.99	5,945.16

ANNEXURE 13- RESTATED STATEMENT OF INVESTMENTS

I Investments in India in					
i) Government securities	13,773.48	11,803.72	13,555.23	12,107.36	10,518.75
ii) Other approved securities	-	-	-	-	-
iii) Shares	15.40	15.40	15.40	15.40	-
iv) Debentures and Bonds	-	-	-	-	-
v) Subsidiaries and/or joint ventures	-	-	-	-	-
vi) Others	-	-	-	-	-
Total (I)	13,788.88	11,819.12	13,570.63	12,122.76	10,518.75
II Investments outside India in					
i) Government securities (including local authorities)	-	-	-	-	-
ii) Subsidiaries and/or joint ventures abroad	-	-	-	-	-
iii) Other Investments	-	-	-	-	-
Total (II)	-	-	-	-	-
Grand Total (I+II)	13,788.88	11,819.12	13,570.63	12,122.76	10,518.75
III. Gross value of Investments	13,788.88	11,819.12	13,570.63	12,122.76	10,518.75
Provision for Depreciation	-	-	-	(0.24)	-
Net value of Investments	13,788.88	11,819.12	13,570.63	12,122.52	10,518.75

ANNEXURE 14- RESTATED STATEMENT OF ADVANCES

A i) Bills purchased and discounted	-	-	-	-	4.92
ii) Cash credits, overdrafts and loans repayable on demand	22,581.37	18,466.92	23,048.89	19,438.52	18,670.93
iii) Term Loans	24,082.79	17,955.03	23,299.11	17,830.34	14,407.23
Total	46,664.16	36,421.95	46,348.00	37,268.86	33,083.08
B i) Secured by Tangible Assets	45,670.95	35,392.51	45,258.79	36,231.28	32,783.73
ii) Covered by Bank/ Government Guarantees	888.69	857.80	972.51	839.91	-
Unsecured	104.52	171.64	116.70	197.67	299.35
iii) Total	46,664.16	36,421.95	46,348.00	37,268.86	33,083.08
C I) Advances in India					
i) Priority Sector (Refer note 25.2 of Annexure 22)	32,200.30	25,029.49	32,299.60	25,577.63	22,913.65
ii) Public Sector	-	-	-	-	-
iii) Banks	0.10	-	-	-	0.10
iv) Other	14,463.76	11,392.46	14,048.40	11,691.23	10,169.33
Total (I)	46,664.16	36,421.95	46,348.00	37,268.86	33,083.08
II) Advances outside India					
i) Due from Banks	-	-	-	-	-
ii) Due from Others	-	-	-	-	-
a) Bills Purchased & Discounted	-	-	-	-	-
b) Syndicated Loans	-	-	-	-	-
c) Others	-	-	-	-	-
Total (II)	-	-	-	-	-
Grand Total (I+II)	46,664.16	36,421.95	46,348.00	37,268.86	33,083.08

PARTICULARS	As on June 30, 2022	As on June 30, 2021	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
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ANNEXURE 15- RESTATED STATEMENT OF FIXED ASSETS

I. Premises					
At cost as on 31 st March of the preceding year	107.64	64.52	64.52	64.52	64.52
Additions during the period	-	-	43.12	-	-
Deductions during the period	-	-	-	-	-
Total	107.64	64.52	107.64	64.52	64.52
<u>Depreciation</u>					
As at 31 st March of the preceding year	0.72	-	-	-	-
Charge for the period	0.34	-	0.72	-	-
Total	1.06	-	0.72	-	-
Net Block I	106.58	64.52	106.92	64.52	64.52
II. Other Fixed Assets (including furniture & fixtures)					
At cost as on 31 st March of the preceding year	1,728.69	1,646.16	1,646.16	1,530.63	1,308.52
Additions during the period	72.72	27.26	91.81	129.26	225.63
Deductions during the period	0.74	0.30	9.28	13.73	3.52
Total	1,800.67	1,673.12	1,728.69	1,646.16	1,530.63
<u>Depreciation</u>					
As at 31 st March of the preceding year	999.74	845.15	845.15	688.91	537.86
Charge for the period	66.64	41.42	160.44	164.92	153.37
Reversed on sale	0.23	0.18	5.85	8.69	2.32
Total	1,066.15	886.39	999.74	845.14	688.91
Net Block II	734.52	786.73	728.95	801.02	841.72
Grand Total (I & II)	841.10	851.25	835.87	865.54	906.24

ANNEXURE 16- RESTATED STATEMENT OF OTHER ASSETS

i) Inter-office adjustments (net)	0.97	-	-	-	-
ii) Interest accrued	876.56	773.50	391.53	407.87	491.13
iii) Taxes paid in advance/ TDS (net of provision for taxes)	-	-	-	15.69	14.80
iv) Stationery & Stamps	4.33	3.26	3.64	2.91	2.50
v) Non-banking assets acquired in satisfaction of claims	-	-	-	-	-
vi) Others (includes deposits placed with SIDBI & NABARD on account of shortfall in priority sector target amounting to ₹ 2.50 mn as on June 30, 2022, ₹2.40 mn as on March 31, 2022 & nil as on June 30, 2021, March 31, 2021 and March 31, 2020)	252.71	162.60	198.98	124.76	124.78
Total	1,134.57	939.36	594.15	551.23	633.21

ANNEXURE 17- RESTATED STATEMENT OF CONTINGENT LIABILITIES

i) Claims against the Bank not acknowledged as debts	-	-	-	-	-
ii) Liability for partly paid investments	-	-	-	-	-
iii) Liability on account of outstanding forward exchange contracts	-	-	-	-	-
iv) Guarantees given on behalf of constituents					
(a) In India	324.38	300.12	370.49	327.14	321.33
(b) Outside India	-	-	-	-	-
v) Acceptances, endorsements and other obligations	-	13.38	13.64	13.16	13.56
vi) Other items for which bank is contingently liable.	70.35	45.35	72.08	43.21	35.82
Total	394.73	358.85	456.21	383.51	370.71

Annexures forming part of the Restated Statement of Profit and Loss

(All amounts in ₹million except otherwise stated)

PARTICULARS	Quarter ended June 30, 2022 (3 months)	Quarter ended June 30, 2021 (3 months)	Year ended March 31, 2022 (12 months)	Year ended March 31, 2021 (12 months)	Year ended March 31, 2020 (12 months)
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ANNEXURE 18- RESTATED STATEMENT OF INTEREST EARNED

I. Interest/ discount on advances/ bills	1,171.26	1,001.53	4,373.02	3,724.31	3,306.60
II. Income on investments	236.23	208.92	860.23	846.81	729.05
III. Interest on balance with Reserve Bank of India and inter-bank funds	117.32	153.91	548.88	543.27	545.67
IV. Others	0.02	-	0.05	-	0.03
Total	1,524.83	1,364.36	5,782.18	5,114.39	4,581.35

ANNEXURE 19- RESTATED STATEMENT OF OTHER INCOME

I. Commission, exchange and brokerage	93.32	71.25	426.34	295.52	288.41
II. Profit/(Loss) on sale of investments (Net)	0.48	20.31	29.50	83.99	57.13
III. Profit/(Loss) on revaluation of investments (Net)	-	0.24	0.24	(0.24)	0.06
IV. Profit/(Loss) on sale of Land, building & other assets (Net)	(0.12)	(0.01)	(0.06)	0.02	(0.18)
V. Profit/(Loss) on Exchange Transactions (Net)	10.59	6.75	27.49	20.76	35.80
VI. Income earned by way of dividends etc.	-	-	-	-	-
VII. Miscellaneous income	0.03	11.29	58.34	58.29	48.39
Total	104.30	109.83	541.85	458.34	429.61

ANNEXURE 20- RESTATED STATEMENT OF INTEREST EXPENDED

I. Interest on deposits	733.98	695.34	2,854.21	2,783.14	2,538.39
II. Interest on Reserve Bank of India/ inter-bank borrowings	0.63	0.05	1.22	20.03	6.44
III. Others	91.61	98.48	373.93	325.11	310.29
Total	826.22	793.87	3,229.36	3,128.28	2,855.12

ANNEXURE 21- RESTATED STATEMENT OF OPERATING EXPENSES

I. Payments to and provisions for employees	266.44	251.04	1,065.60	904.30	846.42
II. Rent, taxes and lighting	62.74	63.21	259.09	258.65	249.65
III. Printing and stationery	7.87	7.44	24.02	21.99	31.46
IV. Advertisement and publicity	1.63	1.02	3.81	1.76	3.82
V. Depreciation on bank property	66.98	41.42	161.16	164.92	153.37
VI. Directors fees, allowances & expenses	1.94	0.92	4.95	2.32	2.67
VII. Auditors fees and expenses	0.80	1.00	8.27	4.89	4.87
VIII. Law charges	-	-	-	0.05	0.02
IX. Postage, Telegrams, Telephones etc.	9.29	6.27	32.90	28.57	25.57
X. Repairs and maintenance	19.31	12.91	76.30	61.38	52.18
XI. Insurance	23.58	20.00	82.90	70.72	57.46
XII. Other expenditure	56.31	49.01	243.53	210.04	205.84
Total	516.89	454.24	1,962.53	1,729.59	1,633.33

ANNEXURE 22- Notes forming part of the restated summary statements

22.1 Capital

22.1.1 Capital to risk-weighted asset ratio ('Capital Adequacy Ratio') of the Bank, as on June 30, 2022 has been calculated by using the capital measurement approaches as detailed below:

(a) Credit Risk has been measured by using Basel II Standardized Approach for credit risk, in accordance with the RBI circular no DBR. NBD. No.26/ 16.13.218/2016-17, dated October 06, 2016 on "Operating Guidelines for Small Finance Banks".

(b) Market Risk and Operation Risk have not been considered for measurement of Capital Adequacy Ratio as per the letter issued by the Reserve Bank of India vide reference number DBR.NBD.No.4502/16.13.218/2017-18 dated November 08, 2017 to all the small finance banks.

22.1.2 Regulatory Capital

Composition of Regulatory Capital is as under-

(₹ in millions)

S. No.	Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
1.	Common Equity Tier 1 Capital (CET 1)	5,123.94	4,462.43	4,908.56	4,335.80	3,955.04
2.	Additional Tier 1 Capital	-	-	-	-	-
3.	Tier 1 Capital (1+2)	5,123.94	4,462.43	4,908.56	4,335.80	3,955.04
4.	Tier 2 Capital	2,297.09	1,998.02	2,017.03	1,680.68	1,442.58
5.	Total Capital (Tier 1 + Tier 2)	7,421.03	6,460.45	6,925.59	6,016.48	5,397.62
6.	Total Risk Weighted Assets (RWAs)	38,032.17	30,595.85	37,168.97	30,380.21	28,241.45
7.	CET 1 Ratio (CET 1 as a percentage of RWAs)	13.47%	14.59%	13.21%	14.27%	14.00%
8.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.47%	14.59%	13.21%	14.27%	14.00%
9.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	6.04%	6.53%	5.42%	5.53%	5.11%
10.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	19.51%	21.12%	18.63%	19.80%	19.11%
11.	Leverage Ratio	6.82%	6.66%	6.73%	6.67%	7.27%
12.	Percentage of the shareholding of (a) Government of India (b) State Government (c) Sponsor Bank	-	-	-	-	-
13.	Amount of paid-up equity capital raised during the period	1.90	0.93	1.34	1.03	53.26
14.	Amount of non-equity Tier 1 capital raised during the period of which (a) Basel III compliant Perpetual Non-Cumulative Preference Shares (b) Basel III compliant Perpetual Debt Instruments	-	-	-	-	-
15.	Amount of Tier 2 capital raised during the period	321.70	313.50	313.50	314.00	-

22.1.3 Movement in Capital during the period is as below:

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
1. Amount of equity (Face Value) raised on private placement under preferential allotment/ allotment of employee stock options	1.90	0.93	1.34	1.03	53.26
2. Amount of debt raised as Upper Tier-II capital	-	-	-	-	-
3. Amount of subordinated debt raised as Tier-II capital (Lower Tier-II capital)	321.70	313.50	313.50	314.00	-

22.1.4 Tier I Capital Infusion

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	340.44	339.10	339.10	338.07	284.81
Addition pursuant to Amount of equity raised on private placement basis under preferential allotment/ allotment of employee stock options	1.90	0.93	1.34	1.03	53.26
Closing Balance	342.34	340.03	340.44	339.10	338.07

22.1.5 Tier 2 Capital

Issue during the period

The Bank has raised Unsecured Redeemable Non-Convertible Lower Tier II Bond, detailed as below:

(₹ in millions)

Period	Series	Date of Allotment	Coupon (%)	Tenure	Amount
Year ended March 2021	Series XVIII	18-Nov-20	9.25%	10 Years	314.00
Quarter ended June 2021 and Year ended March 2022	Series XIX	29-Jun-21	9.25%	10 Years	313.50
Quarter ended June 2022	Series XX	12-May-22	9.25%	10 Years	321.70

Maturity during the period

The following Unsecured Redeemable Non-Convertible Lower Tier II Bonds have matured:

(₹ in millions)

Period	Series	Date of Maturity	Coupon (%)	Amount
Year ended March 2020	Series I	17-Sep-19	11.00%	50.30
	Series II	29-Sep-19	11.00%	36.00
	Series III	24-Oct-19	11.00%	27.80
	Series IV	27-Mar-20	10.00%	55.50
Quarter ended June 2021 and year ended March 2022	Series V	04-Jun-21	11.00%	57.10
	Series VI	18-Jun-21	11.00%	30.20

Maturity Profile of total debentures outstanding as on June 30, 2022:

Unsecured Redeemable Non-Convertible Lower Tier II Bonds

(₹ in millions)

Series	Amount	Maturity Date
11% Tier II Bonds Series VII	60.40	25-Aug-22
11% Tier II Bonds Series VIII	50.30	04-May-23
11% Tier II Bonds Series IX	31.00	20-May-23
11% Tier II Bonds Series X	94.70	24-May-24
10.50% Tier II Bonds Series XII	120.00	17-Feb-26

9.75% Tier II Bonds Series XIV	159.00	25-Nov-26
9.25% Tier II Bonds Series XV	209.50	15-May-28
10% Tier II Bonds Series XVI	180.00	28-Feb-29
10% Tier II Bonds Series XVII	225.00	31-Mar-29
9.25% Tier II Bonds Series XVIII	314.00	18-Nov-30
9.25% Tier II Bonds Series XIX	313.50	29-Jun-31
9.25% Tier II Bonds Series XX	321.70	12-May-32
TOTAL	2,079.10	

Unsecured Redeemable Non-Convertible Upper Tier II Bonds

(₹ in millions)

Series	Amount	Maturity Date
11.75% Upper Tier II Bonds Series XI	140.00	31-Mar-30
11.75% Upper Tier II Bonds Series XIII	250.00	30-Mar-31
TOTAL	390.00	

22.1.6 Proposed Dividend

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Dividend per equity share (₹)	-	-	1.00	0.80	-
Amount of dividend	-	-	34.23	27.13	-

According to the AS 4 - 'Contingencies and events occurring after the balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Bank has not accounted proposed dividend (including tax) as a liability for the accounting periods. However, the Bank has reckoned proposed dividend in determining capital funds for computing capital adequacy ratio.

22.1.7 Drawdown from Reserves

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Investment Reserve Account	-	-	-	0.14	-
Securities Premium Account	-	-	-	-	40.38**
Revenue & Other Reserves Account*	22.92	10.58	15.29	11.86	-

*The drawdown from Revenue and Other Reserves Account is against the employee stock options allotted during the period.

** The drawdown from the Securities Premium is against the share issue expenses incurred on the equity capital raised during the period.

22.1.8 Creation/(Reversal) of Investment Reserve Account

The Bank has appropriated amounts as stated under to Investment Reserve Account, net of applicable taxes and statutory reserve requirement, as per the applicable RBI guidelines.

(₹ in millions)

Period	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
During the period	-	-	0.14	(0.14)	-
Closing Balance	13.14	13.00	13.14	13.00	13.14

23 Asset Liability Management

23.1 Maturity Pattern of certain items of Assets & Liabilities is as under:

(₹ in millions)

	As on	Next day	2-7 days	8-14 days	15 to 30 days	31 days and upto 2 months	Over 2 months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 year and upto 5 years	Above 5 years	Total
Loans & Advances	June 30, 2022	1,737.62	1,455.61	1,455.19	1,461.99	560.68	604.51	1,653.85	3,270.31	26,018.28	5,601.80	2,844.32	46,664.16
	June 30, 2021	121.98	39.65	108.86	2,768.56	482.97	524.22	1,380.90	2,657.79	22,354.80	4,074.44	1,907.78	36,421.95
	March 31, 2022	1,753.28	1,491.84	1,466.70	1,470.35	510.18	542.14	1,655.46	3,126.46	26,276.35	5,339.13	2,716.11	46,348.00
	March 31, 2021	110.59	30.69	99.80	5,108.93	429.35	478.11	1,454.34	2,854.42	20,942.20	3,895.96	1,864.47	37,268.86
	March 31, 2020	-	-	-	-	-	5,121.25	1,234.73	2,532.91	19,245.18	3,532.99	1,416.02	33,083.08
Investment	June 30, 2022	2,393.05	93.02	41.70	478.80	148.21	128.10	371.08	792.50	4,603.65	73.70	4,665.07	13,788.88
	June 30, 2021	1,732.86	69.61	33.59	194.07	141.18	57.07	175.58	384.27	3,901.07	35.35	5,094.47	11,819.12
	March 31, 2022	2,483.90	75.69	24.36	433.62	81.18	103.21	231.58	441.33	4,331.27	65.75	5,298.74	13,570.63
	March 31, 2021	2,467.42	60.45	38.77	202.62	74.28	76.68	243.86	366.29	3,689.62	51.85	4,850.68	12,122.52
	March 31, 2020	2,632.90	37.52	21.16	71.91	183.56	246.68	356.90	769.66	2,821.63	72.81	3,304.02	10,518.75
Deposits	June 30, 2022	291.03	497.35	184.44	2,672.46	797.37	746.98	2,268.00	4,464.75	25,449.71	123.80	24,127.06	61,622.95
	June 30, 2021	265.19	312.65	187.90	1,072.56	800.43	312.04	990.37	2,118.69	21,646.12	57.17	27,065.91	54,829.03
	March 31, 2022	263.63	361.74	139.60	2,311.84	474.78	578.22	1,307.09	3,152.33	23,824.21	79.60	27,970.55	60,463.59
	March 31, 2021	212.10	293.84	116.31	988.12	418.24	344.43	1,372.82	2,058.63	20,466.78	59.78	25,879.66	52,210.70
	March 31, 2020	1,713.06	215.69	116.80	413.44	1,055.27	1,389.07	2,044.79	4,199.65	15,387.89	244.32	17,706.25	44,466.23
Borrowing	June 30, 2022	-	-	76.40	-	536.80	101.40	224.20	804.70	1,671.90	279.00	1,953.70	5,648.10
	June 30, 2021	-	-	135.00	-	451.00	51.00	225.00	610.00	2,041.40	120.00	1,791.00	5,424.40
	March 31, 2022	-	-	69.30	-	69.30	69.30	668.30	705.80	1,491.30	279.00	1,632.00	4,984.30
	March 31, 2021	16.00	-	835.00	-	51.00	138.30	653.00	730.00	2,051.70	214.70	1,477.50	6,167.20
	March 31, 2020	-	-	110.00	-	26.00	26.00	678.00	566.00	1,343.70	176.00	1,283.50	4,209.20
Foreign Currency Assets	June 30, 2022	-	-	-	-	-	-	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-	-	-	-	-	-	-
	March 31, 2020	7.28	-	-	-	-	-	-	-	-	-	-	7.28

Classification of Assets and Liabilities under the maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the return submitted to the Reserve Bank of India.

23.2 Liquidity Coverage Ratio

Liquidity Coverage Ratio (LCR) is a measure to ensure that a bank has an adequate stock of unencumbered High Quality Liquid Assets (HQLA) to survive in a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days.

As per the RBI directions, the Banks are prescribed to maintain minimum LCR as per the following time frame:

Particulars	By January 1, 2019	From January 1, 2020	From January 1, 2021
Minimum LCR	80%	90%	100%

The table below sets out the average LCR of the Bank for the quarters ended June 2022, June 2021 and other quarters of financial year 2021-22:

(₹ in millions)

Liquidity Coverage Ratio (LCR)	Quarter Ended June 30, 2021		Quarter Ended Sept 30, 2021		Quarter Ended Dec 31, 2021		Quarter Ended March 31, 2022		Quarter Ended June 30, 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets										
1 Total High Quality Liquid Assets (HQLA)		18,377.5		16,406.9		19,375.2		17,019.3		16,402.0
Cash Outflows										
2 Retail deposits and deposits from small business customers, of which:										
(i) Stable deposits	15,672.6	783.6	16,749.5	837.5	17,159.3	858.0	17,397.1	869.9	16,778.0	838.9
(ii) Less stable deposits	31,756.8	3,175.7	31,937.6	3,193.8	34,568.3	3,456.8	35,341.3	3,534.1	37,118.4	3,711.8
3 Unsecured wholesale funding, of which:										
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	3,144.9	1,311.8	3,192.1	1,419.2	5,407.5	3,030.8	7,424.2	4,173.8	6,947.1	3,950.9
(iii) Unsecured debt	-	-	-	-	-	-	-	-	-	-
4 Secured wholesale funding	3.80	-	10.8	-	8.4	-	10.6	-	20.3	-
5 Additional requirements, of which										
(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	2,272.3	161.9	2,281.2	152.9	2,397.6	168.1	2,349.9	163.0	2,062.6	142.1

6	Other contractual funding obligations	504.5	504.5	366.4	366.4	335.2	335.2	457.8	457.8	316.8	316.8
7	Other contingent funding obligations	368.4	11.9	341.8	11.2	343.4	11.3	399.1	13.0	420.3	13.9
8	Total Cash Outflows		5,949.5		5,981.0		7,860.2		9,211.6		8,974.5
Cash Inflows											
9	Secured lending (e.g. reverse repos)	5,678.2	-	3,436.8	-	6,196.4	-	3,438.5	-	686.1	-
10	Inflows from fully performing exposures	716.3	425.3	804.9	470.1	818.2	487.2	918.3	545.4	911.2	551.3
11	Other cash inflows	808.3	702.4	770.1	664.2	767.5	661.6	1,346.3	1,240.4	730.0	624.1
12	Total Cash Inflows	7,202.8	1,127.7	5,011.9	1,134.3	7,782.1	1,148.8	5,703.0	1,785.8	2,327.3	1,175.4
13	Total HQLA		18,377.5		16,406.9		19,375.2		17,019.3		16,402.0
14	Total Net Cash Outflows		4,821.8		4,846.7		6,711.5		7,425.8		7,799.0
15	Liquidity Coverage Ratio (%)		381.14%		338.52%		288.69%		229.19%		210.31%

The Bank during the quarter ended June 30, 2022 maintained average HQLA of ₹16,402 million against the average net cash outflows of ₹7,799 million. The entire HQLA was Level 1 HQLA. The average LCR of the Bank for the quarter ended June 30, 2022 was 210.31% which is well above the regulatory threshold of 100%.

HQLA primarily included government securities in excess of minimum Statutory Liquidity Ratio (SLR), the extent allowed under the Marginal Standing Facility (MSF) and the Facility to Avail Liquidity for LCR (FALLCR). Additionally, cash, balances in excess of cash reserve requirement with RBI.

For the purposes of LCR computation, the Bank has considered all inflows and outflows that may have a quantifiable impact under the liquidity stress scenario.

The average weighted and unweighted amounts have been calculated considering simple average.

The table below sets out the average LCR of the Bank for Financial Year 2020-21:

(₹ in millions)

Liquidity Coverage Ratio (LCR)		Quarter Ended June 30, 2020		Quarter Ended Sept 30, 2020		Quarter Ended Dec 31, 2020		Quarter Ended March 31, 2021	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		12,943.8		15,033.0		18,700.8		18,254.1
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:								
(i)	Stable deposits	20,727.5	1,036.4	21,559.1	1,078.0	23,453.9	1,172.7	15,624.2	781.2
(ii)	Less stable deposits	17,700.8	1,770.1	18,522.8	1,852.3	23,393.9	2,339.4	29,705.8	2,970.6
3	Unsecured wholesale funding, of which:								
(i)	Operational deposits (all counterparties)	0.1	-	0.1	-	0.1	-	-	-
(ii)	Non-operational deposits (all counterparties)	3,591.4	1,290.7	3,074.7	1,329.7	1,735.9	1,232.0	3,323.6	1,444.9
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding	1.1	1.1	-	-	15.2	-	19.4	-
5	Additional requirements, of which								
(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	2,049.9	153.3	2,296.4	179.4	2,430.7	181.8	2,333.1	174.0
6	Other contractual funding obligations	419.0	419.0	513.6	513.6	378.0	378.0	505.5	505.5
7	Other contingent funding obligations	364.0	11.6	312.7	10.2	336.5	10.9	374.4	12.0
8	Total Cash Outflows		4,682.2		4,963.2		5,314.8		5,888.2
Cash Inflows									
9	Secured lending (e.g. reverse repos)	1,484.6	1,088.0	2,711.9	-	5,362.3	-	5,219.8	-
10	Inflows from fully performing exposures	273.1	273.1	579.6	439.8	729.3	423.4	699.5	408.4
11	Other cash inflows	987.3	881.8	1,098.3	992.7	515.1	410.2	1,451.1	1,345.3
12	Total Cash Inflows	2,745.0	2,242.9	4,389.8	1,432.5	6,606.7	833.6	7,370.4	1,753.7
13	Total HQLA		12,943.8		15,033.0		18,700.8		18,254.1
14	Total Net Cash Outflows		2,439.3		3,530.7		4,481.1		4,134.7
15	Liquidity Coverage Ratio (%)		530.64%		425.78%		417.32%		441.49%

The table below sets out the average LCR of the Bank for Financial Year 2019-20:

(₹ in millions)

Liquidity Coverage Ratio (LCR)	Quarter Ended June 30, 2019		Quarter Ended September 30, 2019		Quarter Ended December 31, 2019		Quarter Ended March 31, 2020		
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)								
		9,139.7		9,425.7		10,467.6		10,403.9	
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:								
(i)	Stable deposits	8,060.6	403.0	8,262.4	413.1	8,597.4	429.9	8,508.5	425.4
(ii)	Less stable deposits	24,967.9	2,496.8	26,512.8	2,651.3	27,680.9	2,768.1	28,596.5	2,859.7
3	Unsecured wholesale funding, of which:								
(i)	Operational deposits (all counterparties)	0.10	0.0	1.3	0.30	1.1	0.2	3.6	0.2
(ii)	Non-operational deposits (all counterparties)	3,054.2	694.6	2,702.6	748.7	4,591.5	1,085.9	2,752.4	1,122.5
(iii)	Unsecured debt	-	-	-	-	-	-	-	-
4	Secured wholesale funding								
		-	-	-	-	-	-	-	-
5	Additional requirements, of which								
(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	2,191.8	186.0	1,898.7	152.8	2,103.2	147.8	1,939.5	161.0
6	Other contractual funding obligations								
		305.3	305.3	510.4	510.4	369.4	369.4	665.5	665.5
7	Other contingent funding obligations								
		363.1	11.7	329.0	10.7	323.4	10.5	295.9	9.5
8	Total Cash Outflows								
			4,097.4		4,487.3		4,811.8		5,243.8
Cash Inflows									
9	Secured lending (e.g. reverse repos)								
		827.2	827.2	370.7	370.7	1,983.3	1,983.3	344.2	344.2
10	Inflows from fully performing exposures								
		257.8	257.8	287.6	287.6	451.4	451.4	564.6	564.6
11	Other cash inflows								
		341.7	235.7	424.4	318.4	1,289.1	1,183.2	1,531.1	1,425.4
12	Total Cash Inflows								
		1,426.7	1,320.7	1,082.7	976.7	3,723.8	3,617.9	2,439.9	2,334.2
13	Total HQLA								
			9,139.7		9,425.7		10,467.6		10,403.9
14	Total Net Cash Outflows								
			2,776.8		3,510.6		1,193.9		2,909.6
15	Liquidity Coverage Ratio (%)								
			329.16%		268.49%		870.16%		357.57%

23.3 Net Stable Funding Ratio (NSFR)

The Bank pursuant to the RBI guidelines on NSFR has been subjected to the Basel III NSFR standards from 1st October 2021. The Bank at June 30, 2022 maintained Available Stable Funding (ASF) of ₹64,419.02 million against the RSF requirement of ₹5,4328.31 million. NSFR aims to improve the resiliency of banks by promoting long-term funding stability. It mandates banks to maintain a stable funding profile vis-à-vis the composition of their assets and off-balance sheet activities. It reduces the probability of erosion of a bank's liquidity position due to disruptions to its regular sources of funding. The NSFR guidelines of RBI stipulates the applicable Required Stable Funding ("RSF") factor for each category of asset and Available Stable Funding ("ASF") factor for each type of funding source. NSFR represents the ratio of the bank's ASF to RSF.

The table below sets out the NSFR position of the Bank as on June 30, 2022:

(₹ in millions)

NSFR	Unweighted value by residual maturity				Weighted Value	
	No maturity	< 6 months	6 months to < 1 year	>= 1 year		
ASF item						
1	Capital: (2+3)	5,609.55	-	-	2,327.40	7,936.95
2	Regulatory Capital	5,609.55	-	-	2,077.40	7,686.95
3	Other Capital Instruments	-	-	-	250.00	250.00
4	Retail deposits and deposits from small business customers: (5+6)	24,877.32	13,399.44	13,654.27	5,248.28	52,774.43
5	Stable Deposits	6,298.11	5,231.19	4,234.99	1,394.81	16,370.88
6	Less Stable Deposits	18,579.21	8,168.26	9,419.28	3,853.47	36,403.54
7	Wholesale funding: (8+9)	1,706.10	1,247.09	824.83	665.62	1,768.75
8	Operational deposits	-	-	-	-	-
9	Other Wholesale funding	1,706.10	1,247.09	824.83	665.62	1,768.75
10	Other Liabilities: (11+12)	721.80	938.80	804.70	1,577.20	1,938.90
11	NSFR Derivative liabilities					
12	All other liabilities and equity not included in the above categories	721.80	938.80	804.70	1,577.20	1,938.90
13	Total ASF (1+4+7+10)					64,419.02
14	Total NSFR high-quality liquid assets (HQLA)					11,299.49
15	Deposits held at other financial institutions for operational purposes	613.90	151.98	170.72	21.64	479.12
16	Performing loans and securities: (17+18+19+21+23)	349.30	4,764.02	3,837.40	36,917.85	35,810.82
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non- Level 1 HQLA and unsecured performing loans to financial institutions	-	-	-	-	-
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	349.00	4,758.74	3,827.22	27,624.73	28,481.33
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	4.03	2.62
21	Performing residential mortgages, of which:	0.30	5.28	10.18	9,293.12	7,329.49
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for Credit Risk	-	0.04	0.42	5,528.24	4104.41
23	Securities that are not in default and do not qualify as HQLA, including exchanges traded equities	-	-	-	-	-
24	Other assets: (sum of rows 25 to 29)	2,382.32	3,921.96	3,119.28	805.10	6,353.75
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and	10.11	-	-	48.00	49.39

	contributions to default funds of CCPs					
27	NSFR Derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	2,372.21	3,921.96	3,119.28	757.10	6,304.36
30	Off- Balance sheet items	3.23	1,901.76	1,376.61	4,550.97	385.14
31	Total RSF	3,348.75	10,739.73	8,504.01	42,295.56	54,328.31
32	Net Stable Funding Ratio (%)					118.57%

The table below sets out the NSFR position of the Bank as on March 31, 2022:

(₹ in millions)

NSFR	Unweighted value by residual maturity				Weighted Value	
	No maturity	< 6 months	6 months to < 1 year	>= 1 year		
ASF item						
1	Capital: (2+3)	5,392.41	-	-	2,087.00	7,479.41
2	Regulatory Capital	5,392.41	-	-	1,837.00	7,229.41
3	Other Capital Instruments	-	-	-	250.00	250.00
4	Retail deposits and deposits from small business customers: (5+6)	23,632.01	12,992.65	13,124.83	5,432.63	51,005.18
5	Stable Deposits	6,582.81	5,143.99	4,233.22	1,418.86	16,580.88
6	Less Stable Deposits	17,049.20	7,848.66	8,891.61	4,013.77	34,424.30
7	Wholesale funding: (8+9)	1,862.00	1,387.31	1,414.48	617.67	1,955.93
8	Operational deposits	-	-	-	-	-
9	Other Wholesale funding	1,862.00	1,387.31	1,414.48	617.67	1,955.93
10	Other Liabilities: (11+12)	698.86	876.20	705.80	1,315.30	1,668.20
11	NSFR Derivative liabilities		-	-	-	
12	All other liabilities and equity not included in the above categories	698.86	876.20	705.80	1,315.30	1,668.20
13	Total ASF (1+4+7+10)					62,108.72
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					10,569.45
15	Deposits held at other financial institutions for operational purposes	335.40	182.57	147.06	21.46	343.25
16	Performing loans and securities: (17+18+19+21+23)	341.39	5,570.81	3,664.29	36,139.24	35,691.00
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non- Level 1 HQLA and unsecured performing loans to financial institutions	-	-	-	-	-
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	341.37	5,564.11	3,650.79	27,483.00	28,750.60
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	4.10	2.70
21	Performing residential mortgages, of which:	0.01	6.70	13.50	8,656.20	6,940.40
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for Credit Risk	-	-	0.30	5,103.60	3,892.80
23	Securities that are not in default and do not qualify as HQLA, including exchanges traded equities	-	-	-	-	-
24	Other assets: (sum of rows 25 to 29)	1,832.24	3,594.32	3,816.25	636.50	5,517.64
25	Physical traded commodities, including gold	-	-	-	-	-

26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	9.97	-	-	48.00	49.27
27	NSFR Derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	1,818.27	3,594.32	3,816.25	588.50	5,468.37
30	Off- Balance sheet items	5.17	2,088.23	1,159.39	4,059.13	357.91
31	Total RSF	2,514.19	11,435.92	8,787.00	40,856.26	52,479.26
32	Net Stable Funding Ratio (%)					118.35%

24 Investments

24.1 Composition of Investment Portfolio

As at June 30, 2022

(₹ in millions)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	10,301.87	-	-	-	-	-	10,301.87	-	-	-	-	10,301.87
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	10,301.87	-	-	-	-	-	10,301.87	-	-	-	-	10,301.87
Available for Sale												
Gross	3,471.61	-	15.40	-	-	-	3,487.01	-	-	-	-	3,487.01
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	3,471.61	-	15.40	-	-	-	3,487.01	-	-	-	-	3,487.01
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	13,773.48	-	15.40	-	-	-	13,788.88	-	-	-	-	13,788.88
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	13,773.48	-	15.40	-	-	-	13,788.88	-	-	-	-	13,788.88

As at June 30, 2021

(₹ in millions)

Particulars	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	8,132.45	-	-	-	-	-	8,132.45	-	-	-	-	8,132.45
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	8,132.45	-	-	-	-	-	8,132.45	-	-	-	-	8,132.45
Available for Sale												
Gross	3,671.27	-	15.40	-	-	-	3,686.67	-	-	-	-	3,686.67

Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	3,671.27	-	15.40	-	-	-	3,686.67	-	-	-	-	3,686.67
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	11,803.72	-	15.40	-	-	-	11,819.12	-	-	-	-	11,819.12
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	11,803.72	-	15.40	-	-	-	11,819.12	-	-	-	-	11,819.12

As at March 31, 2022

(₹ in millions)

Particulars	Investments in India						Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
Held to Maturity												
Gross	9,892.76	-	-	-	-	-	9,892.76	-	-	-	-	9,892.76
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	9,892.76	-	-	-	-	-	9,892.76	-	-	-	-	9,892.76
Available for Sale												
Gross	3,662.47	-	15.40	-	-	-	3,677.87	-	-	-	-	3,677.87
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	3,662.47	-	15.40	-	-	-	3,677.87	-	-	-	-	3,677.87
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	13,555.23	-	15.40	-	-	-	13,570.63	-	-	-	-	13,570.63
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	13,555.23	-	15.40	-	-	-	13,570.63	-	-	-	-	13,570.63

As at March 31, 2021

(₹ in millions)

Particulars	Investments in India						Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
Held to Maturity												
Gross	8,725.32	-	-	-	-	-	8,725.32	-	-	-	-	8,725.32
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	8,725.32	-	-	-	-	-	8,725.32	-	-	-	-	8,725.32
Available for Sale												
Gross	3,382.04	-	15.40	-	-	-	3,397.44	-	-	-	-	3,397.44
Less: Provision for depreciation and NPI	-	-	(0.24)	-	-	-	(0.24)	-	-	-	-	(0.24)
Net	3,382.04	-	15.16	-	-	-	3,397.20	-	-	-	-	3,397.20
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	12,107.36	-	15.40	-	-	-	12,122.76	-	-	-	-	12,122.76
Less: Provision for non-performing investments	-	-	(0.24)	-	-	-	(0.24)	-	-	-	-	(0.24)
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	12,107.36	-	15.16	-	-	-	12,122.52	-	-	-	-	12,122.52

As at March 31, 2020

(₹ in millions)

Particulars	Investments in India						Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
Held to Maturity												
Gross	7,264.70	-	-	-	-	-	7,264.70	-	-	-	-	7,264.70
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	7,264.70	-	-	-	-	-	7,264.70	-	-	-	-	7,264.70
Available for Sale												
Gross	3,203.77	-	-	-	-	-	3,203.77	-	-	-	-	3,203.77
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	3,203.77	-	-	-	-	-	3,203.77	-	-	-	-	3,203.77
Held for Trading												
Gross	50.28	-	-	-	-	-	50.28	-	-	-	-	50.28

Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	50.28	-	-	-	-	-	50.28	-	-	-	-	50.28
Total Investments	10,518.75	-	-	-	-	-	10,518.75	-	-	-	-	10,518.75
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	10,518.75	-	-	-	-	-	10,518.75	-	-	-	-	10,518.75

24.2 Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
i. Movement of provisions held towards depreciation on investments					
a) Opening balance	-	0.24	0.24	-	0.06
b) Add: Provisions made during the period	-	-	0.15	0.44	0.71
c) Less: Write off/ write back of excess provisions during the period	-	(0.24)	(0.39)	(0.20)	(0.77)
d) Closing balance	-	-	-	0.24	-
ii. Movement of Investment Fluctuation Reserve					
a) Opening balance	84.50	67.95	67.95	44.01	12.07
b) Add: Amount transferred during the period	-	-	16.56	23.94	31.94
c) Less: Drawdown	-	-	-	-	-
d) Closing balance	84.50	67.95	84.50	67.95	44.01
iii. Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/ Current category	2.42%	1.84%	2.30%	2.00%	1.37%

24.3 Sale and Transfer of Investments

During the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020, there is no sale/ transfer of securities to/ from Held to Maturity (HTM) category exceeding 5% of the book value of the investments held in HTM category at the beginning of the year, which requires the disclosure as per the RBI guidelines.

However, the Bank after approval of the Board of Directors, at the beginning of the accounting year, has transferred government securities within the categories as stated below:

During the quarter ended June 30, 2022

(₹ in millions)

Category		Book Value	Market Value
From	To		
Held to Maturity	Available for Sale	354.63	371.52
Total		354.63	371.52

The Bank has not sold any security from HTM category during the period.

During the quarter ended June 30, 2021 and year ended March 31, 2022

(₹ in millions)

Category		Book Value	Market Value
From	To		
Held to Maturity	Available for Sale	913.81	967.43
Available for Sale	Held to Maturity	259.83	270.10
Total		1,173.64	1,237.53

The Bank has not sold any security from HTM category during the period.

During the year ended March 31, 2021

(₹ in millions)

Category		Book Value	Market Value
From	To		
Held to Maturity	Available for Sale	1,167.88	1,263.41
Total		1,167.88	1,263.41

The Bank has not sold any security from HTM category during the period.

During the year ended March 31, 2020

The Bank has neither shifted any security nor sold any HTM security during the year ended March 2020.

24.4 Non- SLR Investment Portfolio

24.4.1 Issuer Composition of Non-SLR investments

As on June 30, 2022

(₹ in millions)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1.	2.	3.	4.	5.	6.	7.
i.	PSUs	-	-	-	-	-
ii.	FIs	-	-	-	-	-
iii.	Banks	-	-	-	-	-
iv.	Private Corporates	15.40	15.40	-	-	15.40
v.	Subsidiaries/ Joint Ventures	-	-	-	-	-
vi.	Others	-	-	-	-	-
vii.	Provision held towards depreciation	-	-	-	-	-
Total		15.40	15.40	-	-	15.40

As on June 30, 2021

(₹ in millions)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1.	2.	3.	4.	5.	6.	7.
i.	PSUs	-	-	-	-	-
ii.	FIs	-	-	-	-	-
iii.	Banks	-	-	-	-	-
iv.	Private Corporates	15.40	15.40	-	-	15.40
v.	Subsidiaries/ Joint Ventures	-	-	-	-	-
vi.	Others	-	-	-	-	-
vii.	Provision held towards depreciation	-	-	-	-	-
	Total	15.40	15.40	-	-	15.40

As on March 31, 2022

(₹ in millions)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1.	2.	3.	4.	5.	6.	7.
i.	PSUs	-	-	-	-	-
ii.	FIs	-	-	-	-	-
iii.	Banks	-	-	-	-	-
iv.	Private Corporates	15.40	15.40	-	-	15.40
v.	Subsidiaries/ Joint Ventures	-	-	-	-	-
vi.	Others	-	-	-	-	-
vii.	Provision held towards depreciation	-	-	-	-	-
	Total	15.40	15.40	-	-	15.40

As on March 31, 2021

(₹ in millions)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1.	2.	3.	4.	5.	6.	7.
i.	PSUs	-	-	-	-	-
ii.	FIs	-	-	-	-	-
iii.	Banks	-	-	-	-	-
iv.	Private Corporates	15.40	15.40	-	-	15.40
v.	Subsidiaries/ Joint Ventures	-	-	-	-	-
vi.	Others	-	-	-	-	-
vii.	Provision held towards depreciation	(0.24)	(0.24)	-	-	(0.24)
	Total	15.16	15.16	-	-	15.16

As on March 31, 2020

The Bank does not hold any investment in Non-SLR category as on March 31, 2020.

24.4.2 Non performing Non- SLR investments

The Bank does not have any non-performing Non-SLR investment during the quarters ended June 30, 2022 and June 30, 2021 and during the years ended March 31, 2022, March 31, 2021 and March 31, 2020.

24.5 Repo/Reverse Repo

During the quarter ended June 30, 2022

The Bank has undertaken MSF, Tri-party repo/reverse repo, Automated Sweep In Sweep Out (ASISO) during the year with Clearing Corporation of India Ltd. (CCIL) and RBI as part of money market operations.

(₹ in millions)

Particulars	Minimum Outstanding during the period (Face Value)	Maximum Outstanding during the period (Face Value)	Daily Average outstanding during the period (Face Value)	Outstanding as on June 30, 2022 (Face Value)
Securities sold under repo:				
1. Government Securities	-	1,379.70	60.98	-
2. Corporate Debt Securities	-	-	-	-
3. Any other securities	-	-	-	-
Securities purchased under reverse repo:				
1. Government Securities	-	2,000.00	600.66	-
2. Corporate Debt Securities	-	-	-	-
3. Any other securities	-	-	-	-

During the quarter ended June 30, 2021

The Bank has undertaken MSF, Tri-party repo/reverse repo, Automated Sweep In Sweep Out (ASISO) during the period with Clearing Corporation of India Ltd. (CCIL) and RBI as part of money market operations.

(₹ in millions)

Particulars	Minimum Outstanding during the period (Face Value)	Maximum Outstanding during the period (Face Value)	Daily Average Outstanding during the period (Face Value)	Outstanding as on June 30, 2021 (Face Value)
Securities sold under repo:				
1. Government Securities	-	99.98	5.16	-
2. Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repo:				
1. Government Securities	2,840.00	7,680.00	5,703.52	5,270.00
2. Corporate Debt Securities	-	-	-	-

During the year ended March 31, 2022

The Bank has undertaken MSF, Tri-party repo/reverse repo and Long Term Repo transactions during the Period with Clearing Corporation of India Ltd. (CCIL) and RBI as part of money market operations.

(₹ in millions)

Particulars	Minimum Outstanding during the period (Face Value)	Maximum Outstanding during the period (Face Value)	Daily Average Outstanding during the period (Face Value)	Outstanding as on June 30, 2020 (Face Value)
Securities sold under repo:				
1. Government Securities	-	599.95	34.46	-
2. Corporate Debt Securities	-	-	-	-
3. Any other securities	-	-	-	-
Securities purchased under reverse repo:				
1. Government Securities	270.00	8,980.00	4,688.79	570.00
2. Corporate Debt Securities	-	-	-	-
3. Any other securities	-	-	-	-

During the year ended March 31, 2021

The Bank has undertaken MSF, Tri-party repo/reverse repo, Automated Sweep In Sweep Out (ASISO) and Long Term Repo transactions during the year with Clearing Corporation of India Ltd. (CCIL) and RBI as part of money market operations.

(₹ in millions)

Particulars	Minimum Outstanding during the year (Face Value)	Maximum Outstanding during the year (Face Value)	Daily Average Outstanding during the year (Face Value)	Outstanding as on March 31, 2021 (Face Value)
Securities sold under repo:				
1. Government Securities	-	1,099.75	385.89	-
2. Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repo:				
1. Government Securities	-	7,469.50	3,688.02	4,720.00
2. Corporate Debt Securities	-	-	-	-

During the year ended March 31, 2020

The Bank has undertaken MSF, Tri-party repo/ reverse repo and Long Term Repo transactions during the year with Clearing Corporation of India Ltd. (CCIL) and RBI as part of money market operations.

(₹ in millions)

Particulars	Minimum Outstanding during the year (Face Value)	Maximum Outstanding during the year (Face Value)	Daily Average Outstanding during the year (Face Value)	Outstanding as on March 31, 2020 (Face Value)
Securities sold under repo:				
1. Government Securities	-	1,159.89	113.05	810.00
2. Corporate Debt Securities	-	-	-	-
Securities purchased under reverse repo:				
1. Government Securities	-	3,798.43	854.96	1499.65
2. Corporate Debt Securities	-	-	-	-

24.6 Security Receipts

The Bank does not hold any investment in Security Receipts during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

25 Asset Quality

25.1 Classification of advances and provisions held

As on June 30,2022

(₹ in millions)

	Standard	Non-performing			Total	
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening balance	45,715.69	506.51	664.83	-	1,171.34	46,887.03
Add: Additions during the period					294.32	
Less: Reductions during the period [#]					81.93	
Closing balance	45,868.57	640.93	742.80	-	1,383.73	47,252.30
[#] Reduction in Gross NPAs due to:						
i) Upgradation					60.15	
ii) Recoveries (excluding recoveries from upgraded accounts)					21.78	
iii) Technical/Prudential Write off					-	
iv) Write off other than those mentioned under iii) above					-	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	284.04*	120.56	418.47	-	539.03	823.07
Add: Fresh provisions made during the period					93.54	
Less: Excess provision reversed/ Write-off loans					44.42	
Closing balance of provisions held	277.60*	109.10	479.05	-	588.15	865.75
Net NPAs						
Opening balance		385.95	246.36	0.00	632.31	632.31
Add: Fresh additions during the period					200.78	200.78
Less: Reductions during the period					37.51	37.51
Closing balance		531.83	263.75	0.00	795.58	795.58
Floating Provisions	-	-	-	-	-	-
Opening Balance					-	-
Add: Additional provisions made during the period					-	-
Less: Amount drawn down during the period					-	-
Closing balance of floating provisions					-	-
Technical write-offs and the recoveries made thereon	-	-	-	-	-	-

Opening balance of Technical/Prudential written-offs accounts					-	-
Add: Technical/ Prudential write-offs during the period					-	-
Less: Recoveries made from previously technical/prudential written-off accounts during the period					-	-
Closing balance					-	-

*During the quarter ended June 30, 2022, the general provision against standard assets includes provision of ₹126.58 million created in accordance with RBI Circular “Micro, Small and Medium Enterprises (MSME) sector –Restructuring of Advances” and “Resolution Framework for COVID-19-related Stress” issued on August 06, 2020.

As on June 30,2021

(₹ in millions)

	Standard		Non-performing			Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening balance	36,847.44	239.66	542.78	-	782.43	37,629.87
Add: Additions during the period					176.16	
Less: Reductions during the period [#]					46.16	
Closing balance	35,896.06	374.67	537.76	-	912.43	36,808.49
[#] Reduction in Gross NPAs due to:						
i) Upgradation					41.47	
ii) Recoveries (excluding recoveries from upgraded accounts)					4.69	
iii) Technical/Prudential Write off					-	
iv) Write off other than those mentioned under iii) above					-	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	174.81 *	60.34	300.68	-	361.01	532.82
Add: Fresh provisions made during the period					37.47	
Less: Excess provision reversed/ Write-off loans					11.94	
Closing balance of provisions held	213.85 *	80.63	305.91	-	386.54	600.39
Net NPAs						
Opening balance		179.32	242.10	-	421.42	421.42
Add: Fresh additions during the period					138.69	138.69
Less: Reductions during the period					34.22	34.22
Closing balance		294.04	231.85	-	525.89	525.89
Floating Provisions	-	-	-	-	-	-
Opening Balance					-	-

Add: Additional provisions made during the period					-	-
Less: Amount drawn down during the period					-	-
Closing balance of floating provisions					-	-
Technical write-offs and the recoveries made thereon	-	-	-	-	-	-
Opening balance of Technical/Prudential written-offs accounts					-	-
Add: Technical/ Prudential write-offs during the period					-	-
Less: Recoveries made from previously technical/prudential written-off accounts during the period					-	-
Closing balance					-	-

*During the quarter ended June 30, 2021, the general provision against standard assets includes provision of ₹92.41 million created in accordance with RBI Circular “Micro, Small and Medium Enterprises (MSME) sector –Restructuring of Advances” and “Resolution Framework for COVID-19-related Stress” issued on August 06, 2020.

As on March 31,2022

(₹ in millions)

	Standard		Non-performing			Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening balance	36,847.44	239.66	542.78	-	782.43	37,629.87
Add: Additions during the period					781.13	
Less: Reductions during the period [#]					392.22	
Closing balance	45,715.69	506.51	664.83	-	1,171.34	46,887.03
[#] Reduction in Gross NPAs due to:						
i) Upgradation					329.69	
ii) Recoveries (excluding recoveries from upgraded accounts)					61.87	
iii) Technical/Prudential Write off					-	
iv) Write off other than those mentioned under iii) above					0.66	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	174.81*	60.34	300.68	-	361.01	535.82
Add: Fresh provisions made during the period					280.51	
Less: Excess provision reversed/ Write-off loans					102.49	
Closing balance of provisions held	284.04*	120.56	418.47	-	539.03	823.07

Net NPAs						
Opening balance		179.32	242.10	-	421.42	421.42
Add: Fresh additions during the period					500.62	500.62
Less: Reductions during the period					289.73	289.73
Closing balance		385.95	246.36	-	632.31	632.31
Floating Provisions	-	-	-	-	-	-
Opening Balance					-	-
Add: Additional provisions made during the period					-	-
Less: Amount drawn down during the period					-	-
Closing balance of floating provisions					-	-
Technical write-offs and the recoveries made thereon	-	-	-	-	-	-
Opening balance of Technical/Prudential written-offs accounts					-	-
Add: Technical/ Prudential write-offs during the period					-	-
Less: Recoveries made from previously technical/prudential written-off accounts during the period					-	-
Closing balance					-	-

*During the year ended March 31, 2022, the general provision against standard assets includes provision of ₹134.19 million (year ended March 31, 2021 amounts to ₹53.37 million) created in accordance with RBI Circular "Micro, Small and Medium Enterprises (MSME) sector –Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" issued on August 06, 2020 and May 05, 2021.

As on March 31,2021

(₹ in millions)

	Standard	Non-performing			Total Non-performing Advances	Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening balance	32,670.59	306.68	278.39	-	585.07	33,255.66
Add: Additions during the period					248.53	
Less: Reductions during the period [#]					51.17	
Closing balance	36,847.44	239.66	542.78	-	782.43	37,629.87
[#] Reduction in Gross NPAs due to:						
i) Upgradation					16.53	
ii) Recoveries (excluding recoveries from upgraded accounts)					34.49	
iii) Technical/Prudential Write off					0.15	
iv) Write off other than those mentioned under iii) above					-	

Provisions (excluding Floating Provisions)						
Opening balance of provisions held	185.77	47.95	124.62	-	172.57	358.34
Add: Fresh provisions made during the period					202.62	
Less: Excess provision reversed/ Write-off loans					14.18	
Closing balance of provisions held	174.81	60.34	300.68	-	361.01	535.82
Net NPAs						
Opening balance		258.73	153.77	-	412.50	412.50
Add: Fresh additions during the period					45.91	45.91
Less: Reductions during the period					36.99	36.99
Closing balance		179.32	242.10	-	421.42	421.42
Floating Provisions	-	-	-	-	-	-
Opening Balance					-	-
Add: Additional provisions made during the period					-	-
Less: Amount drawn down during the period					-	-
Closing balance of floating provisions					-	-
Technical write-offs and the recoveries made thereon	-	-	-	-	-	-
Opening balance of Technical/Prudential written-offs accounts					-	-
Add: Technical/ Prudential write-offs during the period					-	-
Less: Recoveries made from previously technical/prudential written-off accounts during the period					-	-
Closing balance					-	-

As on March 31,2020

(₹ in millions)

	Standard	Non-performing			Total	
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-performing Advances	
Gross Standard Advances and NPAs						
Opening balance	25,748.25	170.95	168.61	-	339.56	26,087.81
Add: Additions during the period					421.90	
Less: Reductions during the period [#]					176.39	
Closing balance	32,670.59	306.68	278.39	-	585.07	33,255.66
[#] Reduction in Gross NPAs due to:						
i) Upgradation					144.27	
ii) Recoveries (excluding recoveries from upgraded accounts)					32.06	

iii) Technical/Prudential Write off					-	
iv) Write off other than those mentioned under iii) above					0.06	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	84.30	29.27	68.08	-	97.35	181.65
Add: Fresh provisions made during the period					111.83	
Less: Excess provision reversed/ Write-off loans					36.61	
Closing balance of provisions held	185.77	47.95	124.62	-	172.57	358.34
Net NPAs						
Opening balance		141.68	100.53	-	242.20	242.20
Add: Fresh additions during the period					310.07	310.07
Less: Reductions during the period					139.77	139.77
Closing balance		258.73	153.77	-	412.50	412.50
Floating Provisions	-	-	-	-	-	-
Opening Balance					-	-
Add: Additional provisions made during the period					-	-
Less: Amount drawn down during the period					-	-
Closing balance of floating provisions					-	-
Technical write-offs and the recoveries made thereon	-	-	-	-	-	-
Opening balance of Technical/Prudential written-offs accounts					-	-
Add: Technical/ Prudential write-offs during the period					-	-
Less: Recoveries made from previously technical/prudential written-off accounts during the period					-	-
Closing balance					-	-

25.2 Sector-wise Advances

(₹ in millions)

Sr. No.	Sector	Quarter ended June 30, 2022			Quarter ended June 30, 2021		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A) Priority Sector							
1	Agriculture & allied activities	17,470.69	591.13	3.38%	13,576.07	342.94	2.53%
2	Advances to industries sector	2,156.40	100.32	4.65%	1,887.59	48.00	2.54%
	<i>Of which advances to Textile</i>	<i>268.12</i>	<i>65.00</i>	<i>24.24%</i>	<i>279.62</i>	<i>0.53</i>	<i>0.19%</i>
	<i>Advances to Iron/Steel and Metal</i>	<i>357.22</i>	<i>-</i>	<i>-</i>	<i>335.99</i>	<i>14.77</i>	<i>4.40%</i>
3	Services	8,483.43	342.73	4.04%	7,278.48	148.34	2.04%
	<i>Of which advances to Traders</i>	<i>4,843.76</i>	<i>231.91</i>	<i>4.79%</i>	<i>3,869.22</i>	<i>110.24</i>	<i>2.85%</i>
4	Personal Loans	-	-	-	-	-	-
5	Others	4,459.14	9.47	0.21%	2,516.23	9.32	0.37%
	Sub-total (A)	32,569.66	1,043.65	3.20%	25,258.37	548.60	2.17%
B) Non - Priority Sector							
1	Agriculture & allied activities	-	-	-	-	-	-
2	Industry	53.41	-	-	47.41	-	-
3	Services	360.14	169.30	47.01%	695.77	183.70	26.40%
	<i>Of which advances to Traders</i>	<i>205.45</i>	<i>169.30</i>	<i>82.41%</i>	<i>431.91</i>	<i>183.70</i>	<i>42.53%</i>
4	Personal Loans	104.56	10.79	10.32%	146.43	4.44	3.03%
5	Others	14,164.53	159.99	1.13%	10,660.51	175.69	1.65%
	<i>Of which advances to NBFCs</i>	<i>3,037.62</i>	<i>57.95</i>	<i>1.91%</i>	<i>1,948.01</i>	<i>88.68</i>	<i>4.55%</i>
	Sub-Total (B)	14,682.64	340.08	2.32%	11,550.12	363.83	3.15%
	TOTAL (A+B)	47,252.30	1,383.73	2.93%	36,808.49	912.43	2.48%

Sr. No.	Sector	Year ended March 31, 2022			Year ended March 31, 2021			Year ended March 31, 2020		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A) Priority Sector										
1	Agriculture & allied activities	17,807.45	435.36	2.44%	14,232.11	294.95	2.07%	12,744.44	204.51	1.60%
2	Advances to industries sector	2,260.30	32.73	1.45%	1,802.31	49.87	2.77%	1,956.42	32.90	1.68%
	<i>Of which advances to Textile</i>	<i>279.60</i>	<i>0.54</i>	<i>0.19%</i>	<i>264.29</i>	<i>2.41</i>	<i>0.91%</i>	<i>407.62</i>	-	-
	<i>Advances to Iron/Steel and Metal</i>	<i>385.51</i>	-	-	<i>275.14</i>	<i>14.77</i>	<i>5.37%</i>	<i>240.40</i>	-	-
3	Services	8,392.72	330.57	3.94%	7,383.43	140.49	1.90%	6,411.00	71.40	1.11%
	<i>Of which advances to Traders</i>	<i>4,795.72</i>	<i>223.58</i>	<i>4.66%</i>	<i>3,953.51</i>	<i>104.49</i>	<i>2.64%</i>	<i>3,233.23</i>	<i>46.07</i>	<i>1.42%</i>
4	Personal Loans	-	-	-	-	-	-	-	-	-
5	Others	4,141.19	8.57	0.21%	2,374.62	6.68	0.28%	1,907.65	4.85	0.25%
	Sub-total (A)	32,601.66	807.23	2.48%	25,792.47	491.99	1.91%	23,019.51	313.66	1.36%
1	Agriculture & allied activities	-	-	-	-	-	-	-	-	-
2	Industry	44.55	-	-	57.35	-	-	114.21	-	-
3	Services	442.24	174.94	39.56%	926.82	184.20	19.87%	951.26	200.06	21.03%
	<i>Of which advances to Traders</i>	<i>273.20</i>	<i>174.94</i>	<i>64.04%</i>	<i>544.70</i>	<i>184.20</i>	<i>33.82%</i>	<i>527.71</i>	<i>200.06</i>	<i>37.91%</i>
4	Personal Loans	111.73	10.75	9.62%	162.46	4.07	2.51%	216.67	2.51	1.16%
5	Others	13,686.85	178.42	1.30%	10,690.77	102.17	0.96%	8,954.01	68.84	0.77%
	<i>Of which advances to NBFCs</i>	<i>2,975.99</i>	<i>84.14</i>	<i>2.83%</i>	<i>2,066.41</i>	<i>24.98</i>	<i>1.21%</i>	<i>1,774.25</i>	<i>24.98</i>	<i>1.41%</i>
	Sub-Total (B)	14,285.37	364.11	2.55%	11,837.40	290.44	2.45%	10,236.15	271.41	2.65%
	TOTAL (A+B)	46,887.03	1,171.34	2.50%	37,629.87	782.43	2.08%	33,255.66	585.07	1.76%

25.3 Ratios

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Gross NPA to Gross Advances	2.93%	2.48%	2.50%	2.08%	1.76%
Net NPA to Net Advances	1.70%	1.44%	1.36%	1.13%	1.25%
Provision Coverage Ratio	42.50%	42.36%	46.02%	46.14%	29.50%

25.4 Provision on Standard Assets

Particulars	(₹ in millions)				
	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Provisions towards Standard Assets	0.49	39.03	114.04	(10.95)	101.47

The cumulative provision towards standard assets held by the Bank as at the quarter ended June 30, 2022 amounted to ₹277.60 million (₹213.85 million as at quarter ended June 30, 2021; ₹284.04 million as at the year ended March 31, 2022; ₹174.81 million as at the year ended March 31, 2021 and ₹185.77 million as at the year ended March 31, 2020).

As on June 30, 2022, the general provision against standard assets includes provision of ₹126.58 million (₹92.41 million as on June 30, 2021; ₹134.19 million as on March 31, 2022 and ₹53.37 million as on March 31, 2021) created in accordance with RBI Circular "Micro, Small and Medium Enterprises (MSME) sector –Restructuring of Advances" and "Resolution Framework for COVID-19-related Stress" issued on August 06, 2020 and May 05, 2021.

The general provision includes provision of ₹77.00 million as on March 31, 2020 created in accordance with RBI Circular 'COVID19 Regulatory Package - Asset Classification and Provisioning' and 'COVID-19 – Regulatory Package'.

25.5 Overseas Assets, NPAs and Revenue

The Bank does not hold any overseas asset/ NPA as at June 30, 2022, June 30, 2021, March 31, 2022, March 31, 2021 and March 31, 2020. No overseas operations were undertaken during the quarters ended June 30, 2022, June 30, 2021, March 31, 2022, March 31, 2021 and March 31, 2020, hence revenue from overseas operations is nil.

25.6 Impact on account of COVID-19 on Advances

25.6.1 For the quarter ended June 30, 2022

India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the bank's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

25.6.2 For the quarter ended June 30, 2021

During the year 2020-21, the first wave of COVID-19 got over and the economy started to pick up. However, before the end of the fiscal, the second wave had already knocked the doors of the country. The second wave turned out to be more devastating, both, in number of cases as well as the damage it caused to the people's lives and business activities. The borrowers who were able to sail out of the wave one, even they were not able to manage the operations easily. Regional lockdowns worsened the situation.

The consequent slowdown during the period led to a decrease in loan originations, the sale of third party products, the use of cards by customers and the efficiency in collection efforts. Various government sponsored schemes as well as the schemes for resolution of stress launched by the Reserve Bank of India are being implemented across the trades to enable the borrowers to survive the stress phase. Moreover, the industrial activities are picking up pace again and will give boost to the economy. The pandemic shall continue to impact the Bank's advance portfolio so long as the COVID-19 is completely eradicated. However, the Bank is also putting in all the efforts to minimize the impact of the pandemic.

25.6.3 For the year ended March 31, 2022

Following the easing of lockdown measures, there was gradual improvement in economic activity in the second half of Financial Year 2021-2022. In Financial Year 2022, India experienced two more waves of the Covid-19 pandemic that led to the re-imposition of regional lockdowns which were subsequently lifted. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, led to substantial impact on the economic activities. The disruptions following the outbreak, impacted loan originations, the sale of third-party products and the efficiency in collection efforts resulting in increase in customer defaults and resulting in increase in provisions there against. Since the number of cases have reduced significantly and Government of India has withdrawn most of the Covid-19 related restrictions but the extent to which any new wave of COVID-19 impact the Bank's result is uncertain as it depends upon the future trajectory of the pandemic.

25.6.4 For the year ended March 31, 2021

Consequent to the outbreak of the COVID-19 pandemic, the Government of India, on March 24, 2020, introduced a strict 21-day lockdown. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slowdown during the year led to a decrease in loan originations, the sale of third party products, the use of cards by customers and the efficiency in collection efforts. This may lead to a rise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic, including the current “second wave” that has significantly increased the number of cases in India, will continue to impact the Bank’s results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

25.6.5 For the year ended March 31, 2020

The pandemic due to COVID-19 continues to spread across the globe. This has deaccelerated economic activity and has increased volatility in the financial markets. Many organizations, including the Bank, have introduced various containment measures since it was declared as a pandemic by the World Health Organization (WHO) on March 11, 2020. The Government of India, on March 24, 2020, introduced a strict 21-day lockdown which subsequently got increased to 19 days more to contain the community spread of the catastrophic virus. The extent to which the COVID-19 pandemic will affect the Bank’s earning capacity will depend upon future developments, which are highly uncertain. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank has granted a moratorium of three months on the payment of all installments and/ or interest as applicable falling due between March 1, 2020 and May 31, 2020 to the eligible borrowers classified as standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period. In respect of accounts in default but standard as on the date of the balance sheet and where asset classification benefit has been extended for the moratorium/deferral period in accordance with the guidelines issued by the Reserve Bank of India, provision of 10 per cent of the outstanding of such accounts is/ will be created in phased manner i.e. 5% for the quarter ended March 31, 2020 and remaining 5% will be created during the quarter ending June 30, 2020.

The Bank has created general provision of ₹77.00 million for the period ended March 31, 2020 in respect to impact due to COVID-19 which is in excess of the provision required as per the RBI guidelines.

The details are as under:

		(₹ in millions)
S. No	Particulars	Year ended March 31, 2020
1	Respective amount in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular	5,136.80
2	Respective amount where asset classification benefits is extended	641.00
3	Provisions made during the quarter ended March 31, 2020 in terms of paragraph 5 of the circular	77.00
4	Provisions adjusted during the respective accounting periods against slippages in terms of paragraph 6 of the circular.	-
5	Residual provision as on date in terms of paragraph 6 of the circular.	77.00

25.7 Restructuring of Accounts

25.7.1 Disclosure on Prudential Framework on Resolution of Stressed Assets dated June 07, 2019

The Reserve Bank of India has issued guidelines on Prudential Framework on Resolution of Stressed Assets, dated June 07, 2019. The Bank has not restructured any account under the framework during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

25.7.2 Restructuring under “Resolution Framework – 1.0: Resolution Framework for COVID-19-related Stress” and “Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses” during the year ended March 31, 2022:

(₹ in millions)					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2021 (A) ¹	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year ²	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2022
Personal Loans	284.87	16.02	-	4.80	264.05
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	34.03	-	-	2.92	31.10
Total	318.90	16.02	-	7.72	295.16

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

¹ includes requests received till September 30, 2021 implemented subsequently

² Net of increase in exposure during the period

25.7.3 Restructuring under RBI guidelines on “Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances”

(₹ in millions)

As on June 30, 2022		As on June 30, 2021		As on March 31, 2022		As on March 31, 2021	
No. of accounts restructured	Amount	No. of accounts restructured	Amount	No. of accounts restructured	Amount	No. of accounts restructured	Amount
251	1,022.44	182	923.40	255	1046.80	132	807.10

The Bank has not restructured any account under the framework during the year ended March 31, 2020.

25.7.4 Particulars of Accounts Restructured (other than under Covid -19 and MSME restructuring schemes)

Particulars		Agriculture and allied activities				Corporate (excluding MSME)				Micro, Small and Medium Enterprises (MSME)				Retail (excluding agriculture and MSME)				Total			
		June 2022	June 2021	March 2022	March 2021	June 2022	June 2021	March 2022	March 2021	June 2022	June 2021	March 2022	March 2021	June 2022	June 2021	March 2022	March 2021	June 2022	June 2021	March 2022	March 2021
Standard	Number of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provisions held	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Standard	Number of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provisions held	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Doubtful	Number of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provisions held	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	Number of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Provisions held	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The Bank has not restructured any account during the year ended March 31, 2020.

25.8 Details of loans transferred/acquired under the master directions of Reserve Bank of India on Transfer of Loan Exposures dated September 24, 2021

The Bank has not transferred/acquired any stressed loan or loan not in default during the quarters ended June 30, 2022 and year ended March 31, 2022.

25.9 Details of loans to any intermediary for onward lending to third party

The Bank has not given any loan to any intermediary for onward lending to third party during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020. Further, the Bank has also not received any fund from any party(s) (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

25.10 Fraud Accounts

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Number of frauds reported	-	-	-	-	-
Amount involved in fraud (₹ in millions)	-	-	-	-	-
Amount of provision made for such frauds (₹ in millions)	-	-	-	-	-
Amount of Unamortized provision debited from 'other reserves' as at the end of the period (₹ in millions)	-	-	-	-	-

25.11 Divergence in Asset Classification and Provisioning for NPAs

The Bank had been subjected to assessment by the Reserve Bank of India ('RBI') for the position as on March 31, 2021 and nil NPA divergence was observed by the RBI.

Further, assessment was carried out by the RBI for the position as on March 31, 2020 (covering financial years 2018-19 and 2019-20). The divergence observed by RBI for the reference period in respect of the Bank's asset classification and provisioning under the applicable prudential norms on income recognition, asset classification and provision is below the regulatory threshold requirement for the disclosure and hence the disclosure, under RBI circular No. RBI/2016-17/283 DBR.BP.BC.No.63/21.04.018/2016-17 April 18, 2017 read with circular No. RBI/2018-19/157 DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019, are not made in the Restated Financial Statements.

The Bank has not been subjected to assessment by the RBI for the Financial Year 2021-22 and thereon as on the date of this report.

25.12 Sale of Financial Asset under Securitization/Asset Reconstruction

The Bank has not sold any financial asset to Securitization/ Reconstruction Company for Asset Reconstruction during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

25.13 Sale/Purchase of Non-performing financial assets

The Bank has not purchased/sold any Non-performing financial assets from/to other banks during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

25.14 Letter of comfort

The Bank has not issued any letter of comfort during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

25.15 Credit Default Swaps

The Bank has not entered into any Credit Default Swaps (CDS) during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

26 Exposures

26.1 Exposure to Real Estate Sector

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
1. Direct exposure					
i. Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;					
a. Individual Housing Loans eligible for inclusion in Priority Sector advances	4,324.78	2,500.58	3948.42	2,360.37	1,891.01
b. Others	5,229.51	3,896.30	4896.33	3,743.61	2,564.98
ii. Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	2,872.34	1,942.13	2,785.55	1,992.51	1,940.90
iii. Investments in Mortgage Backed Securities (MBS) and other securitized exposures –					
a. Residential	-	-	-	-	-
b. Commercial Real Estate	-	-	-	-	-
2. Indirect Exposure					
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	187.42	108.34	92.69	113.22	131.22
Total Exposure to Real Estate Sector	12,614.05	8,447.35	11,722.99	8,209.71	6,528.11

26.2 Exposure to Capital Market

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
i. direct investments in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	15.40	15.40	15.40	15.40	-
ii. advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity oriented mutual funds;	-	-	-	-	-
iii. advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-	-	-	-
iv. advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-	-	-	-
v. secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-	-	-
vi. loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-	-	-
vii. bridge loans to companies against expected equity flows/issues;	-	-	-	-	-
viii. underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-	-	-	-
ix. financing to stockbrokers for margin trading;	-	-	-	-	-
x. all exposures to venture capital funds (both registered and unregistered)	-	-	-	-	-
Total Exposure to Capital Market	15.40	15.40	15.40	15.40	-

26.4 Risk Category Wise Country Exposure

The Bank is currently operating in the Northern Indian states of Punjab, Haryana, Rajasthan, Himachal and Delhi and in the Union Territory of Chandigarh. Hence, the Bank does not have any country risk exposure.

26.5 Unsecured Advances against Intangible Assets

The Bank has not extended any advance against intangible securities such as charge over the rights, licenses, authority etc. during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

26.6 Details of factoring exposure

The factoring exposure of the Bank as at June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020 is nil.

26.7 Intra group exposure

The Bank has no intra group exposure during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

26.8 Unhedged Foreign currency exposure

The Bank does not have any unhedged foreign currency exposure as on June 30, 2022 and June 30, 2021 and as on March 31, 2022, March 31, 2021 and March 31, 2020.

26.9 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank

The Bank has not exceeded the prudential exposure limits for Single Borrower Limit (SBL) and Group Borrower Limit (GBL) during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

27 Concentration of Deposits, Advances, Exposures and NPAs

27.1 Concentration of Deposits

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Total Deposits of twenty largest depositors	2,223.50	2,127.48	2,859.19	1,929.32	3,399.37
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	3.61%	3.88%	4.73%	3.70%	7.64%

27.2 Concentration of Advances

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Total Advances to twenty largest borrowers	3,424.17	2,656.63	3,452.32	2,738.50	2,680.62
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	6.36%	5.49%	6.53%	5.70%	6.81%

Concentration of advances has been calculated by taking the total credit exposure to the top twenty borrowers identified on the basis of the RBI circular on Exposure Norms.

27.3 Concentration of Exposures

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Total Exposure to twenty largest borrowers/ customers	3,424.17	2,656.63	3,452.32	2,738.50	2,680.62
Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the Bank on Borrowers/ customers	6.36%	5.49%	6.53%	5.70%	6.81%

Concentration of exposures has been calculated by taking the total credit and investment exposure to the top twenty borrowers identified on the basis of the RBI circular on Exposure Norms.

27.4 Concentration of NPAs

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Total Exposure to the top twenty NPA accounts	656.20	458.86	613.88	403.94	396.71
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	47.42%	50.29%	52.41%	51.63%	67.81%

28 Derivatives

The Bank has not undertaken any derivative business during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

29 Securitization transactions

The Bank has not done any securitization transactions during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

30 Off Balance Sheet SPVs sponsored

The Bank does not hold any sponsored off balance sheet SPVs during the quarters ended June 30, 2022, June 30, 2021, March 31, 2022, March 31, 2021 and March 31, 2020.

31 Transfer to Depositor Education and Awareness Fund (DEAF)

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance of amount transferred to DEAF	51.71	41.66	41.66	34.02	25.85
Add: Amount transferred to DEAF during the period	3.52	3.28	10.40	8.81	8.45
Less: Amounts reimbursed by DEAF towards claims	1.17	0.14	0.36	1.17	0.28
Closing balance of amounts transferred to DEAF	54.06	44.80	51.71	41.66	34.02

32 Segment Reporting

Segment details in compliance with AS-17 and pursuant to the Reserve Bank of India guidelines, are as under:

(₹ in millions)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	Quarter ended June 2022	Quarter ended June 2021	Quarter ended June 2022	Quarter ended June 2021	Quarter ended June 2022	Quarter ended June 2021	Quarter ended June 2022	Quarter ended June 2021	Quarter ended June 2022	Quarter ended June 2021
Revenue	354.05	383.13	127.47	105.92	1,113.22	958.61	34.40	26.28	1,629.13	1,473.95
Result	(4.96)	11.30	19.90	3.63	362.32	259.50	29.47	22.19	406.74	296.62
Unallocated Expenses									163.39	135.10
Operating Profit (PBT)									243.34	161.52
Income Taxes									60.51	39.69
Extraordinary profit/Loss	-	-	-	-	-	-	-	-	-	-
Net Profit									182.83	121.83

Other Information :										
Segment Assets	21,195.02	24,454.62	4,988.45	3,759.49	46,951.27	37,126.36	16.97	15.35	73,151.71	65,355.82
Unallocated Assets									450.70	302.68
Total Assets									73,616.78	65,658.49
Segment Liabilities	-	-	1,252.85	1,796.44	64,317.04	56,910.49	-	-	65,569.89	58,706.93
Unallocated Liabilities									2,670.33	2,309.53
Total Liabilities									68,240.22	61,016.46

(₹ in millions)

Business Segments	Treasury			Corporate/ Wholesale Banking			Retail Banking			Other Banking Operations			Total		
	Year ended March 2022	Year ended March 2021	Year ended March 2020	Year ended March 2022	Year ended March 2021	Year ended March 2020	Year ended March 2022	Year ended March 2021	Year ended March 2020	Year ended March 2022	Year ended March 2021	Year ended March 2020	Year ended March 2022	Year ended March 2021	Year ended March 2020
Particulars															
Revenue	1,438.90	1,474.07	1,331.85	455.86	402.27	386.19	4,299.81	3,595.63	3,178.10	129.45	101.00	114.76	6,324.03	5,572.97	5,010.90
Result	66.06	132.20	269.30	39.41	18.30	4.50	1,247.24	837.92	465.43	111.66	86.56	102.26	1,464.37	1,074.98	841.49
Unallocated Expenses												619.48	537.61	495.66	
Operating Profit (PBT)												844.89	537.37	345.82	
Income Taxes												219.20	129.53	92.00	
Extraordinary profit/Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit												625.69	407.84	253.82	
Other Information :															
Segment Assets	20,751.51	22,747.46	16,848.30	5,091.04	3,941.08	3,796.55	45,253.42	36,574.87	32,337.71	8.23	15.92	15.68	71,104.20	63,279.33	52,998.24
Unallocated Assets												435.01	433.06	300.53	
Total Assets												71,539.21	63,712.38	53,298.77	
Segment Liabilities	-	-	813.45	1,562.96	1,331.65	3,293.96	62,456.26	55,819.94	43,415.09	0.20	-	-	64,019.42	57,151.59	47,522.50
Unallocated Liabilities												2,361.98	2,052.89	1,708.47	
Total Liabilities												66,381.40	59,204.48	49,230.97	

Note:

- The Bank is operating in Domestic Segment so there is only one geographic segment.
- Inter Segment transactions are based on transfer pricing as determined by the management consent.

33 Related Party Disclosure

i. Related parties as per Accounting Standard 18

Key Management Personnel:

- Mr. Sarvjit Singh Samra - Managing Director & Chief Executive Officer
- Mr. Munish Jain - Chief Financial Officer & Chief Operating Officer
- Mr. Amit Sharma - Company Secretary (with effect from May 17, 2019)
- Mr. Sahil Vijay - Company Secretary (till May 17, 2019)
- Mr. S.K. Dhawan – Head of Credit (KMP w.e.f. October 22, 2021)
- Mrs. Richa Mahajan – Chief Compliance Officer (KMP w.e.f. October 22, 2021)
- Mr. Raghav Aggarwal – Chief Risk Officer (KMP w.e.f. October 22, 2021)

Relatives of Key Management Personnel:

- Mr. Sarvjit Singh Samra:** Mr. Amarjit Singh Samra, Mr. Amardeep Samra, Mrs. Surinder Kaur Samra, Mrs. Navneet Kaur Samra, Mrs. Amarpreet Kaur Hayer, Mr. Shahbaz Singh Samra, Mr. Sangram Singh Samra and Sarvjit Singh Samra HUF.
- Mr. Munish Jain:** Mr. Kimti Lal Jain, Mr. Vishal Jain, Mrs. Usha Jain, Mrs. Ruchi Jain, Mrs. Ritu Jain, Mr. Aagam Jain, Mr. Gaurish Jain and Munish Jain HUF.
- Mr. Amit Sharma:** Mr. Mangal Chand Sharma, Mrs. Bimla Sharma, Mrs. Gitika Sharma, Mr. Kunal Sharma, Miss Amayra Sharma, Mrs. Poonam Sharma, Mrs. Seema Sharma, Mr. Ajay Sharma and Mrs. Sheetal Sharma.
- Mr. Sahil Vijay:** Mr. Vijay Kumar, Mrs. Kusum Talwar, Mrs. Deepika Sharma and Mr. Aviral Vijay
- Mr. S.K. Dhawan:** Mrs. Jeewan Asha, Mrs. Sujata Dhawan, Mrs. Rajni Dhawan, Mr. Vijay Kumar Dhawan, Mr. Ashwani Kumar Dhawan, Mr. Arun Kumar Dhawan and Mr. Anil Kumar Dhawan.
- Mrs. Richa Mahajan:** Mr. Gaurav Mahajan, Mr. Arnav Mahajan, Miss Arshia Mahajan, Mrs. Neelam Sehgal, Mr. R.K. Sehgal and Mr. Akhil Sehgal.
- Mr. Raghav Aggarwal:** Mr. Sunil Aggarwal, Mrs. Indu Aggarwal, Mrs. Himani Mittal and Mr. Karan Aggarwal

Associates/ Joint Ventures/ Others:

- Capital Foundation Trust

ii. The balances payable to/receivable from the related parties of the Bank are given below:

(₹ in millions)							
Items/ Related Party	As on	Parent	Subsidiary	Associates/ Joint Ventures/ Others	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	June 30, 2022	-	-	-	8.90	20.20	29.10
	June 30, 2021	-	-	-	4.00	15.70	19.70
	March 31, 2022	-	-	-	2.40	19.20	21.60
	March 31, 2021	-	-	-	1.00	14.70	15.70
	March 31, 2020	-	-	-	1.00	12.70	13.70
Deposits	June 30, 2022	-	-	10.93	12.84	39.70	63.48
	June 30, 2021	-	-	4.58	7.79	57.14	69.51
	March 31, 2022	-	-	8.15	14.29	39.37	61.81
	March 31, 2021	-	-	3.55	11.25	31.77	46.56
	March 31, 2020	-	-	1.88	5.55	30.31	37.74
Placement of Deposits	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	--
Advances	June 30, 2022	-	-	-	7.96	0.34	8.29
	June 30, 2021	-	-	-	2.20	-	2.20
	March 31, 2022	-	-	-	8.10	0.15	8.25
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	0.09	-	0.09

Investments	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-
Non funded commitments	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-
Leasing/ HP arrangements availed	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-
Leasing/ HP arrangements provided	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-

iii. The maximum balances payable to/receivable from the related parties of the Bank during the period are given below:

							(₹ in millions)
Items/ Related Party	Period ended	Parent	Subsidiary	Associates/ Joint Ventures/ Others	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	June 30, 2022	-	-	-	8.90	20.20	29.10
	June 30, 2021	-	-	-	4.00	19.70	23.70
	March 31, 2022	-	-	-	4.00	23.20	27.20
	March 31, 2021	-	-	-	1.00	14.70	15.70
	March 31, 2020	-	-	-	1.50	15.10	16.60
Deposits	June 30, 2022	-	-	14.97	18.27	45.55	78.79
	June 30, 2021	-	-	7.10	19.16	63.94	90.20
	March 31, 2022	-	-	10.43	27.37	99.46	137.25
	March 31, 2021	-	-	4.05	24.56	71.59	100.19
	March 31, 2020	-	-	4.56	65.09	123.13	192.78
Placement of Deposits	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-
Advances	June 30, 2022	-	-	-	11.43	0.51	11.93
	June 30, 2021	-	-	-	2.22	-	2.22
	March 31, 2022	-	-	-	9.48	0.15	9.63

	March 31, 2021	-	-	-	0.07	0.15	0.22
	March 31, 2020	-	-	-	4.35	0.11	4.46
Investments	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-
Non funded commitments	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-
Leasing / HP arrangements availed	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-
Leasing / HP arrangements provided	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-

iii. The details of transactions of the Bank with its related parties during the period are given below:

							(₹ in millions)
Items/ Related Party	Period ended	Parent	Subsidiary	Associates/ Joint Ventures/ Others	Key Management Personnel	Relatives of Key Management Personnel	Total
Purchase of fixed assets	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-
Sale of fixed assets	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-
Interest paid	June 30, 2022	-	-	0.05	0.37	1.06	1.48
	June 30, 2021	-	-	0.02	0.16	0.79	0.97
	March 31, 2022	-	-	0.08	0.93	4.07	5.08
	March 31, 2021	-	-	0.06	0.71	3.90	4.67
	March 31, 2020	-	-	0.06	0.77	3.58	4.41
	June 30, 2022	-	-	-	0.13	0.01	0.14

Interest received	June 30, 2021	-	-	-	0.03	-	0.03
	March 31, 2022	-	-	-	0.48	0.01	0.49
	March 31, 2021	-	-	-	-	0	0
	March 31, 2020	-	-	-	0.06	0	0.06
Receiving of Services (Leasing)	June 30, 2022	-	-	-	1.17	4.10	5.28
	June 30, 2021	-	-	-	1.12	3.92	5.04
	March 31, 2022	-	-	-	4.54	15.89	20.43
	March 31, 2021	-	-	-	4.53	15.85	20.38
	March 31, 2020	-	-	-	4.48	15.75	20.23
Receiving of Services (Salary)	June 30, 2022	-	-	-	19.51	0.71	20.22
	June 30, 2021	-	-	-	9.14	0.68	9.82
	March 31, 2022	-	-	-	36.23	2.32	38.55
	March 31, 2021	-	-	-	25.24	1.70	26.94
	March 31, 2020	-	-	-	25.67	1.27	26.94
Management Contracts	June 30, 2022	-	-	-	-	-	-
	June 30, 2021	-	-	-	-	-	-
	March 31, 2022	-	-	-	-	-	-
	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	-	-	-	-
CSR Expense/Contribution	June 30, 2022	-	-	2.90	-	-	2.90
	June 30, 2021	-	-	1.93	-	-	1.93
	March 31, 2022	-	-	7.71	-	-	7.71
	March 31, 2021	-	-	6.15	-	-	6.15
	March 31, 2020	-	-	5.25	-	-	5.25

For a person being a KMP for the current year or part thereof, the consideration paid during the complete financial year has been disclosed.

34 Leases

Operating Leases

The Bank has commitments under long term non-cancellable operating leases primarily for premises. The terms of renewal and escalation clauses are those normally prevalent in the agreements of similar nature. Following is a summary of future minimum lease rental commitments for such non-cancellable operating leases.

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Not later than one year	9.57	12.77	10.80	13.91	15.49
Later than one year and not later than five years	17.71	25.00	19.00	31.00	24.86
Later than five years	30.02	32.27	30.47	38.65	29.78
Total Minimum lease rental commitments	57.31	70.04	60.28	83.56	70.13

Total lease rental expenditure under cancellable and non-cancellable operating leases debited to Profit and Loss account during the quarter ended June 30, 2022 is ₹43.37 million (during quarter ended June 30, 2021 is ₹41.84 million and during the year ended March 31, 2022 is ₹169.73 million, during the year ended March 31, 2021 is ₹168.29 million and year ended March 31, 2020 is ₹169.40 million).

Finance Lease

The Bank has not taken any asset under finance lease during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

35 Earnings Per Share

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Net profit after tax available for equity shares (₹ in millions)	182.83	121.83	625.69	407.84	253.82
Weighted average number of equity shares	34,154,499	33,922,273	33,995,016	33,861,909	31,046,437
Weighted average number of equity shares for diluted earnings	34,261,398	34,117,184	34,338,552	34,041,782	31,116,679
Basic Earnings per share (₹)	5.35*	3.59*	18.41	12.04	8.18
Diluted Earnings per share (₹)	5.34*	3.57*	18.22	11.98	8.16
Face Value per share (₹)	10.00	10.00	10.00	10.00	10.00

*not-annualized

36 Disclosure of Complaints

36.1.1 Customer Complaints pertaining to Retail Payment Channels (RTGS/NEFT, Automated Teller Machine (ATM)/ Point of Sale (POS) Transactions/Ecommerce Transactions, BBPS, IMPS, etc.)

S.no.	Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
	Complaints received by bank from its customers					
1	Number of complaints pending at beginning of the period	11	8	8	4	15
2	Number of complaints received during the period*	322	265	1,439	762	630
3	Number of complaints disposed during the period	321	265	1,436	758	641
3.1	<i>Of which, number of complaints rejected by the Bank</i>	105	95	444	216	147
4	Number of complaints pending at the end of the period	12	8	11	8	4
	Maintainable complaints received by the Bank from the OBOs					
5	Number of maintainable complaints received by the Bank from OBOs	2	-	5	5	4
5.1	<i>Of 5, number of complaints resolved in favor of the Bank by Bos</i>	2	-	1	-	-
5.2	<i>Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Bos</i>	-	-	4	-	1
5.3	<i>Of 5, number of complaints resolved after passing of Awards by BOs against the Bank</i>	-	-	-	-	-
6	Number of awards unimplemented within the stipulated time (other than those appealed)	-	-	-	-	-

*Out of the above complaints, 316 complaints are related to acquiring banks during the current quarter ending June 30, 2022. (252 for quarter ended June 2021; 1,379 for year ended March 31, 2022; 722 for year ended March 31, 2021; 600 for year ended March 31, 2020).

36.1.2 Customer Complaints other than above:

S.no.	Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
	Complaints received by bank from its customers					
1	Number of complaints pending at beginning of the period	5	3	3	1	6
2	Number of complaints received during the period	61	79	297	291	159
3	Number of complaints disposed during the period	63	75	295	289	164
3.1	<i>Of which, number of complaints rejected by the Bank</i>	17	19	86	52	-
4	Number of complaints pending at the end of the period	3	7	5	3	1

	Maintainable complaints received by the Bank from the OBOs					
5	Number of maintainable complaints received by the Bank from OBOs	2	3	18	28	20
5.1	Of 5, number of complaints resolved in favor of the Bank by Bos	1	2	13	10	3
5.2	Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Bos	-	-	6	5	9
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the Bank	-	-	-	-	-
6	Number of awards unimplemented within the stipulated time (other than those appealed)	-	-	-	-	-

36.1.3 Top 5 grounds of Complaints received by the Bank during the quarter ended June 30, 2022:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the period	Number of complaints received during the period	% increase/ decrease in the number of complaints received over the previous period	Number of complaints pending at the end of the period	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Ground - 1 Internet/Mobile/Electronic Banking	10	212*	28.48%	9	2
Ground - 2 ATM/Debit Cards	3	107*	(1.83%)	3	-
Ground - 3 Loans and Advances	2	13	0%	1	-
Ground - 4 Account Opening/ Difficulty in operations	-	12	71.43%	-	-
Ground - 5 Levy of charges without prior notice/ excessive charges/ foreclosure Charges	-	10	11.11%	-	-
Others (Complaints not covered in above top 5 grounds)	1	29	(29.27%)	2	-
Total	16	383	11.34%	15	2

*316 complaints are related to acquiring banks.

Top 5 grounds of Complaints received by the Bank during the quarter ended June 30, 2021:

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the period	Number of complaints received during the period	% increase/ decrease in the number of complaints received over the previous period	Number of complaints pending at the end of the period	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Ground - 1 Internet/Mobile/Electronic Banking	1	165*	292.86%	7	1
Ground - 2 ATM/Debit Cards	6	109*	28.24%	2	-
Ground - 3 Loans and Advances	-	13	44.44%	1	-
Ground - 4 Staff Behaviour	-	10	(9.09%)	1	-
Ground - 5 Foreclosure Charges	3	9	12.50%	3	1
Others (Complaints not covered in above top 5 grounds)	1	38	26.67%	1	-
Total	11	344	85.95%	15	2

*252 complaints are related to acquiring banks.

Top 5 grounds of Complaints received by the Bank during the year ended March 31, 2022

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
1	2	3	4	5	6
Ground - 1 Internet/Mobile/Electronic Banking	1	908*	172.67%	8	-
Ground - 2 ATM/Debit Cards	6	551*	14.08%	5	-
Ground - 3 Loans and Advances	-	58	34.88%	2	-
Ground - 4 Levy of charges without prior notice/ Excessive charges/ Foreclosure Charges	3	40	(6.98)%	-	-
Ground - 5 Account Opening/ Difficulty in operation of accounts	-	33	6.45%	-	-
Others (Complaints not covered in above top 5 grounds)	1	146	21.67%	1	-
Total	11	1,736	64.86%	16	-

*1,379 complaints are related to acquiring banks

Top 5 grounds of Complaints received by the Bank during the year ended March 31, 2021:

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
1	2	3	4	5	6
Ground - 1 ATM/Debit Cards	4	483*	(17.86%)	6	-
Ground - 2 Internet/Mobile/Electronic Banking	-	333*	389.70%	1	-
Ground - 3 Foreclosure Charges	1	43	290.91%	3	3^
Ground - 4 Loans and Advances	-	43	13.16%	-	-
Ground - 5 Staff Behaviour	-	35	600%	-	-
Others (Complaints not covered in above top 5 grounds)	-	116	46.84%	1	1^
Total	5	1,053	33.46%	11	4

* 722 complaints are related to acquiring banks ^Representation raised with OBO office/other bank

Top 5 grounds of Complaints received by the Bank during the year ended March 31, 2020:

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
1	2	3	4	5	6
Ground - 1 ATM/Debit Cards	16	588*	6.52%	4	-
Ground - 2 Internet/Mobile/Electronic Banking	2	68*	1600%^	-	-

Ground - 3 Loans and Advances	-	38	442.86%	-	-
Ground - 4 Account opening/Difficulty in operations	-	22	266.67%	-	-
Ground - 5 Foreclosure Charges	1	11	10%	1	-
Others (Complaints not covered in above top 5 grounds)	2	62	195.24%	-	-
Total	21	789	31.50%	5	-

* 600 complaints are related to acquiring banks

^ The Mobile Banking app was launched in March 2019

36.1.4 Awards Passed by the Banking Ombudsman

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
No of Unimplemented Awards at the beginning of the period	-	-	-	-	-
No. of Awards passed by the Banking Ombudsmen during the period	-	-	-	-	-
No. of Awards implemented during the period	-	-	-	-	-
No. of Unimplemented Awards at the end of the period	-	-	-	-	-

37 Disclosure of Penalties Imposed by the RBI

There has been no penalty imposed by the Reserve Bank of India on the Bank except that of ₹0.11 million during quarter ended June 2022 for non-replenishment of ATMs in terms of RBI circular no. RBI/2021-22/84 DCM (RMMT) No. S153/11.01.01/2021-22 on Monitoring of Availability of Cash in ATMs dated August 10, 2021.

There has been no penalty imposed by the RBI during the quarter ended June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

38 Remuneration

38.1.1 Qualitative Information with reference to Whole Time Directors / Managing Director & Chief Executive Officer/Material Risk Takers (MRT)

1. Nomination and Remuneration Committee

The Bank has constituted Nomination and Remuneration Committee (NRC) for overseeing and governing the compensation policies of the Bank. The committee oversees the framing, review and implementation of compensation policy of the Bank on behalf of the Board for Managing Director & Chief Executive Officer, Whole Time Directors & Material Risk Takers.

The Board of Directors in the meeting held on May 11, 2021 reconstituted the Nomination and Remuneration Committee. The Committee has four members including two members from Risk Management Committee of the Board. The majority of the members of the committee are independent non-executive Directors consisting of the following Members:

- Mr. Gurpreet Singh Chug, Chairman
- Mr. Sham Singh Bains, Member
- Mr. Gurdeep Singh, Member
- Mr. Rakesh Soni, Member

2. Philosophy and Key Objectives

The Compensation Policy ("the Policy") of the Bank aims at the Bank's philosophy to recruit, motivate, reward and retain employees who believe in, and live by, our culture and values. The Bank endeavors to encourage entrepreneurship by creating a working environment that motivates high performance so that all employees can positively contribute to the strategy, vision, goals and values of the Bank. The key objectives of the Policy are:

- To support the organization's strategy by helping to build a competitive, high performance and innovative company with an entrepreneurial culture that attracts, retains, motivates and rewards high-performing employees;
- To promote the achievement of strategic objectives within the company's risk appetite;
- To promote / support positive outcomes across the economic and social context in which the company operates and
- To promote an ethical culture and responsible corporate citizenship.

- To ensure that the remuneration of “MD & CEO”, “Whole Time Directors” & Material Risk Takers is fair and reasonable in the context of overall Bank’s remuneration.
- Adherence to principles of good corporate governance, as depicted in “best practice” and regulatory frameworks
- Make a clear distinction between levels of accountability and pay package.

2. Fixed Pay

The fixed pay is the base element of the remuneration that reflects the employee’s role or position in the Bank and is payable for doing the expected job, including but not limited to basic salary, statutory bonus, allowances, perquisites, profit in lieu of salary and any other component paid, measured on the cost to company basis. Guaranteed remuneration is paid on monthly basis and is normally benchmarked against the financial services market and is aligned to the expected operational performance.

3. Variable Pay

The variable pay is the reward element of the remuneration, focused to create a performance culture in the Bank, is payable as a reward to individuals or teams for achieving strong results in terms of pre-determined goals. The variable remuneration of an employee(s) can be short term or long term depending upon the category of the employee(s): (1) Short Term Variable Remuneration is paid on not greater than yearly frequency on the basis of performance based scorecard or individual employee rating; or/and (2) Long Term Variable Remuneration is paid on more than annual frequency on the basis of longevity and long-term performance of the employee in the form of ESOPs only (including Cash Linked Stock Appreciation Rights).

- The variable pay should be:
 - Atleast 100% but not more than 200% of the fixed pay in case of Managing Director and CEO and Whole Time Director;;
 - Atleast 50% but not more than 70% (earlier 60%) of the fixed pay for executive overseeing one business line and atleast 75% (earlier 50%) but not more than 125% (earlier 70%) of the fixed pay for executive overseeing more than one business line in case of other MRTs..
- Out of above, 50% of the variable pay should be via non cash instruments. In case, any the executive, is barred by statute or regulation from grant of Share-linked Instruments, the whole amount can be paid via cash.
- Within the said range and as per the above ceiling, the NRC decides the short term variable pay %age for the Period keeping in the view the various factors including but not limited to present and prospective capital position, market dynamics and risk position of the Bank.
- The variable pay is linked with the performance of the executive and performance of the Bank during the period and accordingly the performance measurement is done basis various key performance indicators including:
 - Individual Rating;
 - Profitability Achievement;
 - Business Growth Achievement;
 - Credit Risk (NPA position, SMA 2 position);
 - Market Risk (LCR, Duration gap Analysis);
 - Solvency Risk (Leverage Ratio, Capital Adequacy Ratio)
- A minimum of 60% of the total variable pay (including at least 50% of the cash component if cash component is ₹2.5 million or more), should be deferred over a period of 3 years. Further, in case of various events, the deferred compensation is subject to the malus arrangement.
- The Variable pay in case of Managing Director and CEO and Whole Time Director is subject to approval from the Reserve Bank of India.

4. Guaranteed Bonus

The Bank does not allow any guaranteed bonus except bonus payable under the Payment of Bonus Act. Further, the Joining/Signing bonus is permissible in the context of hiring of executive in the form of ESOPs only and be limited to the first year. Further, the Bank will not grant severance pay other than accrued benefits (gratuity, retiral benefits, etc.) except in case where it is mandatory by any statute.

5. Hedging

The Bank does not provide any facility or funds or permit employees to insure or hedge their compensation structure to offset the risk alignment effects embedded in their compensation arrangement.

38.1.2 Quantitative Information with reference to Whole Time Directors/Managing Director & Chief Executive Officer/Material Risk Takers

S. No.	Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
A	Number of meetings held by the Remuneration Committee during the financial period and remuneration paid to its members.	Number of Meetings: 2 No remuneration is being paid to members except the sitting fees.	Number of Meetings: 1 No remuneration is being paid to members except the sitting fees.	Number of Meetings: 6 No remuneration is being paid to members except the sitting fees.	Number of Meetings: 2 No remuneration is being paid to members except the sitting fees.	Number of Meetings: 5 No remuneration is being paid to members except the sitting fees.
B.1	Number of employees having received a variable remuneration award during the financial period.	-	-	2	2	1
B.2	Number and total amount of sign-on awards made during the financial period.	-	-	-	-	-
B.3	Details of guaranteed bonus, if any, paid as joining / sign on bonus	-	-	-	-	-
B.4	Details of severance pay, in addition to accrued benefits, if any.	-	-	-	-	-
C.1	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	Total amount of deferred remuneration as On June 30, 2022 (cumulative including the previous year remuneration) is • Cash incentive ₹10.56 million; and • No. of options granted 32,133	Total amount of deferred remuneration as on June 30, 2021 is: ➤ Cash incentive ₹7.18 million; and ➤ No. of options granted- 19,251	Total amount of deferred remuneration as on March 31, 2022 (cumulative including the previous year remuneration) is ➤ Cash incentive ₹12.50 million; and ➤ No. of options granted 38,550	Total amount of deferred remuneration as on March 31, 2021 is: ➤ Cash incentive ₹7.18 million; and ➤ No. of options granted 19,251	-
C.2	Total amount of deferred remuneration paid out in the financial period.	Total amount of deferred remuneration paid out during the quarter ended June 30, 2022 (cumulative including the previous year remuneration) is • Cash incentive ₹1.94 million; and • No. of options exercised: 6,417	-	-	-	-
D	Breakdown of amount of remuneration awards for the financial period to show fixed and variable, deferred and non-deferred.	➤ Fixed pay ₹5.09 million	➤ Fixed pay ₹6.47 million	➤ Fixed pay ₹22.5 million ➤ Variable pay (cash) ₹13.4 million for FY 2021-22 out of which ₹6.7 million is deferred. ➤ Variable pay (ESOPs to MRT) 19,299 options	➤ Fixed pay ₹23.41 million ➤ Variable pay (cash) ₹12.77 million for FY 2020-21 out of which ₹7.18 million is deferred	➤ Fixed pay ₹9.20 million ➤ Variable pay (cash) ₹1.07 million

				out of which 19,299 options are deferred. The variable remuneration payable to MD & CEO shall be paid subject to approval from the RBI.	➤ Variable pay (ESOPs granted to MRT) 19,251 options out of which 19,251 options are deferred The variable remuneration payable to MD & CEO shall be paid subject to approval from RBI	
E.1	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	Total amount of deferred remuneration as On June 30, 2022 (cumulative including the previous year remuneration) is • Cash incentive ₹10.56 million; and • No. of options granted 32,133	Total amount of deferred remuneration as on June 30, 2021 is: ➤ Cash incentive ₹7.18 million; and ➤ No. of options granted 19,251	Total amount of deferred remuneration as on March 31, 2022 (cumulative including the previous year remuneration) is ➤ Cash incentive ₹12.50 million; and ➤ No. of options granted 38,550	Total amount of deferred remuneration as on March 31, 2021 is: ➤ Cash incentive ₹7.18 million; and ➤ No. of options granted 19,251	-
E.2	Total amount of reductions during the financial period due to ex- post explicit adjustments.	-	-	-	-	-
E.3	Total amount of reductions during the financial period due to ex- post implicit adjustments.	-	-	-	-	-
F	Number of MRTs identified.	2	2	2	2	Not applicable
G.1	Number of cases where malus has been exercised.	-	-	-	-	-
G.2	Number of cases where clawback has been exercised	-	-	-	-	-
G.3	Number of cases where both malus and clawback have been exercised	-	-	-	-	-
H	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	The Bank does not have any WTD other than MD.	The Bank does not have any WTD other than MD.	The Bank does not have any WTD.	The Bank does not have any WTD other than MD.	The Bank does not have any WTD other than MD.

39 Disclosure on remuneration to Non-Executive Directors

Remuneration by way of sitting fees to the Non-Executive Directors for attending meetings of the Board and its committees during the quarter ended June 30, 2022 amounted to ₹0.80 million (₹0.92 million during the quarter ended June 30, 2021; ₹3.60 million during the year ended March 31, 2022; ₹2.32 million during the year ended March 31, 2021 and ₹2.67 million for the year ended March 31, 2020).

Further, during the current quarter, the Bank has paid remuneration amounting to ₹1.14 million (₹0.30 million during the quarter ended June 30, 2021; ₹1.35 million during the year ended March 31, 2022; ₹1.13 million during the year ended March 31, 2021 and ₹0.68 million for the year ended March 31, 2020) to the Non-Executive Directors.

40 Accounting for employee share based payments

40.1 Capital Small Finance Bank Limited – Employees Stock Option Plan 2018 (“CSFB ESOP 2018”) was approved by the shareholders of the Bank, in the Annual General Meeting held on August 18, 2018 amended further on October 22, 2021, for granting equity stock options to its employees and directors (other than independent directors) and Capital Small Finance Bank Limited – Employees Stock Option Plan for Material Risk Takers (“CSFB ESOP for MRTs”) was approved by the shareholders of the Bank on July 11, 2020 amended further on October 22, 2021, for granting equity stock options to its material risk takers.

40.2 The Stock Options will be equity settled.

40.3 The accounting for stock options is in accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India.

40.4 The Nomination and Remuneration Committee of the Bank is empowered to administrate, implement and superintend the plan. Its powers include determination of eligible employees, determine the parameters for grant of options, vesting conditions, determination of exercise period, among others.

40.5 The details of the schemes are as under:

Scheme	Grant	Date of Grant	Vesting	Exercise Period	Exercise Price per option	Method of Settlement
CSFB ESOP 2018	Tranche 1	April 30, 2019	Graded Vesting: April 30, 2020- 25% April 30, 2021- 30% April 30, 2022- 45%	Twelve months from the date of vesting	₹98	Equity
CSFB ESOP for MRTs	Tranche 1	April 30, 2021	Graded Vesting: April 30, 2022- 33.33% April 30, 2023- 33.33% April 30, 2024- 33.33%	Twelve months from the date of vesting	₹10	Equity
CSFB ESOP 2018	Tranche 2	July 15, 2021	September 30, 2023- 100%	Twelve months from the date of vesting	₹98	Equity
CSFB ESOP 2018	Tranche 3	September 01, 2021	August 31, 2024- 100%	Twelve months from the date of vesting	₹98	Equity
CSFB ESOP for MRTs	Tranche 2	April 30, 2022	Graded Vesting: April 30, 2023- 33.33% April 30, 2024- 33.33% April 30, 2025- 33.33%	Twelve months from the date of vesting	₹10	Equity
CSFB ESOP 2018	Tranche 4	June 15, 2022	August 31, 2024- 100%	Twelve months from the date of vesting	₹98	Equity

40.6 Activity in the options outstanding-

Under CSFB ESOP 2018 -

Particulars	Quarter ended June 30, 2022 (Number of Options)	Quarter ended June 30, 2021 (Number of Options)	Year ended March 31, 2022 (Number of Options)	Year ended March 31, 2021 (Number of Options)	Year ended March 31, 2020 (Number of Options)
Options outstanding, beginning of period	5,72,439	4,65,511	4,65,511	6,50,496	-
Granted during the period	76,000	-	3,26,750	-	6,50,496
Exercised during the period	1,83,596	92,286	1,33,410	1,03,464	-
Forfeited / Lapsed during the period	39,350	37,363	86,412	81,521	-
Options outstanding, end of period	4,25,493	3,35,862	5,72,439	4,65,511	6,50,496
Options exercisable	73,243	88,037	47,940	38,823	-

Under CSFB ESOP for MRTs-

Particulars	Quarter ended June 30, 2022 (Number of Options)	Quarter ended June 30, 2021 (Number of Options)	Year ended March 31, 2022 (Number of Options)
Options outstanding, beginning of period	19,251	-	-
Granted during the period	19,299	19,251	19,251
Exercised during the period	6,417	-	-
Forfeited/ Lapsed during the period	-	-	-
Options outstanding, end of period	32,133	19,251	19,251
Options exercisable	-	-	-

40.7 The table below shows the fair value of options and inputs considered for calculating them as per the Black Scholes method-

Particulars	CSFB ESOP 2018 (Tranche 1)	CSFB ESOP 2018 (Tranche 2)	CSFB ESOP 2018 (Tranche 3)	CSFB ESOP 2018 (Tranche 4)
Date of grant	April 30, 2019	July 15, 2021	September 01, 2021	June 15, 2022
Fair Value of option (₹)	132.17	181.18	185.29	222.93
Risk-free interest rate (%)	6.65%-6.99%	5.06%	5.14%	6.89%
Expected life (years)	1.50-3.50 years	2.71 years	3.50 years	2.71 years
Expected volatility (%)	31.53%-33.01%	44.03%	41.80%	43.67%
Expected dividend rate (%)	0%	0%	0%	0%

Particulars	CSFB ESOP for MRTs (Tranche 1)	CSFB ESOP for MRTs (Tranche 2)
Date of grant	April 30, 2021	April 30, 2022
Fair Value of option (₹)	255.04	294.14
Risk-free interest rate (%)	4.13%-5.15%	4.96%-6.20%
Expected life (years)	1.50-3.50 years	1.50-3.50 years
Expected volatility (%)	42.07%-50.86%	44.64%-45.80%
Expected dividend rate (%)	0%	0%

40.8 The 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 the share linked instruments on the date of grant should be recognized as an expense for all instruments granted after the period ending March 31, 2021. Accordingly, the Bank measures the cost of ESOP using the fair value method for stock options granted post March 31, 2021 including grant to the Material Risk Takers as a part of their variable compensation and uses the intrinsic value method for stock options granted prior to the said period. Had the Bank used the fair value model to determine compensation, which had nil incremental cost during the quarter ended June 30, 2022, for periods prior to year ended March 31, 2022 its profit after tax and earnings per share as reported would have changed as indicated below-

(₹ in millions)

Particulars	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Restated Profit after tax as reported	121.83	625.69	407.84	253.82
Add: ESOP cost using intrinsic value method (net of tax)	2.43	15.31	16.55	12.07
Less: ESOP cost using fair value method (net of tax)	(2.77)	(17.65)	(19.08)	(13.91)
Profit after tax (adjusted)	121.49	623.35	405.31	251.98
Earnings Per Share -				
Basic (₹)*				
- As reported	3.59	18.41	12.04	8.18
- Adjusted for ESOP using fair value method	3.58	18.34	11.97	8.12
Diluted (₹)*				
- As reported	3.57	18.22	11.98	8.16
- Adjusted for ESOP using fair value method	3.54	18.02	11.85	8.08

*not-annualized for quarter ended June 2021

41 Staff Retirement Benefits

41.1 Reconciliation of opening and closing balance of the present value of the defined benefit obligation for the gratuity benefit of the Bank is as below:

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Defined benefit obligation liability					
Opening Obligations	73.49	64.52	64.52	53.11	40.53
Service Cost	2.35	2.41	9.97	9.88	8.77
Interest Cost	1.33	1.11	4.45	3.65	3.11
Actuarial (Gain)/Loss	(4.02)	(1.81)	(1.93)	(0.82)	3.12
Liabilities extinguished on settlement	-	-	-	-	-
Benefits Paid	(1.96)	(1.03)	(3.51)	(1.30)	(2.42)
Obligations at last date of the period	71.19	65.20	73.49	64.52	53.11
Plan Assets at fair value					
Opening Plan Assets, at fair value	74.45	64.80	64.80	54.28	40.74
Expected return on plan assets	1.30	1.11	4.47	3.93	2.99
Actuarial Gain/(Loss)	(3.14)	(0.05)	(1.32)	2.99	1.11
Assets distributed on settlement					
Contributions	-	-	10.02	4.90	11.86
Benefits Paid	(1.96)	(1.03)	(3.51)	(1.30)	(2.42)
Plan Assets at fair value at last date of the period					
Fair Value of Plan Assets at the end of the period	70.65	64.83	74.45	64.80	54.28
Present Value of the defined benefit obligation at the end of the period	71.19	65.20	73.49	64.52	53.11
Asset/(Liability) at last date of the period	(0.54)	(0.37)	0.96	0.28	1.17
Experience adjustments on Plan Liabilities	(0.59)	0.86	(1.86)	(1.82)	(2.48)
Experience adjustments on Plan Assets	(3.14)	(0.05)	(1.32)	2.99	1.11
Cost for the period	-	-	-	-	-
Service Cost	2.35	2.42	9.97	9.88	8.77
Interest Cost	1.33	1.11	4.45	3.65	3.11
Expected Return on Plan Assets	(1.30)	(1.12)	(4.47)	(3.94)	(2.99)
Actuarial (Gain)/Loss	(0.88)	(1.76)	(0.61)	(3.81)	2.01
Net Cost	1.50	0.65	9.33	5.78	10.90
Investment details of Plan Assets					
Plan assets are invested in insurer managed funds.					
Assumptions					
Interest Rate	7.72%	7.00%	7.26%	6.90%	6.87%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.25%
Estimated rate of return on plan assets	7.50%	6.80%	7.00%	6.90%	7.25%

41.2 The actuarial liability of compensated absences of accumulated earned and sick leaves of the employees of the Bank is as below:

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Earned Leaves	45.72	40.04	40.96	31.15	35.04
Sick Leaves	9.79	9.61	10.17	8.82	8.88
Total Actuarial Liability	55.51	49.65	51.13	39.97	43.92
Assumptions					
Interest Rate	7.72%	7.00%	7.26%	6.90%	6.87%
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%	5.25%

The estimate of salary growth rate takes into account of inflation, market dynamics, seniority, promotion and other relevant factors on long-term basis.

41.3 Unamortized Pension and Gratuity Liabilities

The Bank does not have any unamortized liability against pension and gratuity during the quarters June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

42 Business Ratios

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
i. Interest Income as a percentage to Working Funds ¹	2.08%	2.08%	8.46%	8.65%	9.24%
ii. Non-interest income as a percentage to Working Funds ¹	0.14%	0.17%	0.79%	0.78%	0.87%
iii. Cost of Deposits	4.81%	5.17%	5.02%	5.88%	6.10%
iv. Net Interest Margin ²	3.81%	3.55%	3.74%	3.40%	3.52%
v. Operating Profit ³ as a percentage to Working Funds ¹	1.56%	1.36%	1.66%	1.21%	1.05%
vi. Return on Assets ⁴	1.00%	0.76%	0.92%	0.69%	0.51%
vii. Business ⁵ (Deposits plus advances) per employee ⁶ (₹ in million)	65.34	55.78	64.97	54.89	48.42
viii. Profit per employee (Operating Profit) ⁶ (₹ in million)	0.17	0.14	0.69	0.44	0.33

¹Working funds have been reckoned as average of total assets as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the period.

²Net Interest Margin has been computed based on the Net Interest income (Interest Income – Interest Expense) and average of total assets as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949, during the period.

³Operating profit is the net profit for the period before provisions and contingencies and is annualized.

⁴Return on Assets is calculated with reference to monthly average working funds (Working funds taken as total of assets excluding accumulated losses, if any) and is annualized.

⁵For the purpose of computation of business per employee, business is calculated by adding deposits and advances excluding inter-bank deposits.

⁶Productivity ratios are based on average number of employees.

43 Bancassurance Business

(₹ in millions)

Income from	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
1. Life insurance	16.00	13.32	72.75	53.80	52.81
2. General Insurance	6.36	5.34	25.62	22.02	20.09

44 Marketing and Distribution

(₹ in millions)

Fee/remuneration received	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Marketing and Distribution	-	-	-	-	-

45 Details of Priority Sector Lending Certificates (PSLC)-

(₹ in millions)

Type of PSLC	Quarter ended June 30, 2022		Quarter ended June 30, 2021	
	PSLC bought	PSLC sold	PSLC bought	PSLC sold
Agriculture	-	4500	-	3,750
Small and Marginal Farmers	2000	-	1,250	-
Micro enterprises	-	-	-	-
General	-	-	-	-
Total	2000	4500	1,250	3,750

(₹ in millions)

Type of PSLC	Year ended March 31, 2022		Year ended March 31, 2021		Year ended March 31, 2020	
	PSLC bought	PSLC sold	PSLC bought	PSLC sold	PSLC bought	PSLC sold
Agriculture	-	9,850	-	6,650	-	5,200
Small and Marginal Farmers	3,450	-	1,650	-	700	-
Micro enterprises	-	-	-	-	-	-
General	-	-	500	-	-	-
Total	3,450	9,850	2,150	6,650	700	5,200

46 Provisions and Contingencies

The break-up of the provisions and contingencies included in profit and loss account is given hereunder:

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Provisions towards Taxes [#]	60.51	39.69	219.20	129.53	92.00
Provisions towards Standard Assets	0.49	39.03	114.04	(10.95)	101.47
Provision towards Non-performing Advances	42.19	25.53	173.21	188.44	75.22
Total	103.19	104.25	506.45	307.02	268.69

[#]Amount of Provisions made for Income tax

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Income Tax	68.52	54.43	249.68	127.68	112.95
Deferred Tax	(8.01)	(14.74)	(30.48)	1.85	(20.95)

47 Deferred Tax Asset

Other Assets include deferred tax asset of an amount equal to ₹76.13 million (quarter ended June 30, 2021 is ₹52.38 million) and for the year ended March 31, 2022 is equal to ₹68.12 million, for March 31, 2021 is ₹37.64 million and for March 31, 2020 is ₹39.48 million as detailed below:

<i>(₹ in millions)</i>					
Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Deferred Tax Assets	85.30	67.27	85.25	54.92	58.80
Loan Loss Provisions	69.87	53.82	71.49	44.00	46.75
Others	15.43	13.45	13.76	10.92	12.05
Deferred Tax Liabilities	9.17	14.89	17.13	17.28	19.32
Depreciation on Fixed Assets	-	10.27	7.97	12.66	16.44
Special Reserve under section 36(i)(viii)	9.17	4.62	9.17	4.62	2.88
Deferred Tax Assets/ (Liabilities) (Net)	76.13	52.38	68.12	37.64	39.48

48 Status of Ind AS Implementation

As per RBI circular RBI/2015 -16/315 DBR.BP.BC. No.76/21.07.001/2015-16 dated 11th February 2016 Implementation of Indian Accounting Standards (Ind AS), Banks are advised that scheduled commercial banks (excluding RRBs) shall follow the Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the RBI in this regard. Banks in India currently prepare their financial statements as per the guidelines issued by the RBI, the Accounting Standards notified under section 133 of the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (Ind AS), which were based on convergence with the International Financial Reporting Standards (IFRS), for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). In March 2019, RBI deferred the implementation of Ind AS for banks till further notice as the recommended legislative amendments were under consideration of Government of India. The Bank had undertaken preliminary diagnostic analysis of the GAAP differences between Indian GAAP vis-a-vis Ind AS and shall proceed for ensuring the compliance as per applicable requirements and directions in this regard and the Bank is submitting Proforma Ind AS Financial Statements to the RBI on a half yearly basis.

49 Payment of DICGC Insurance Premium

<i>(₹ in millions)</i>						
S.No	Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
1.	Payment of DICGC Insurance Premium	42.51	36.90	76.16	63.79	45.28
2.	Arrears in payment of DICGC premium	-	-	-	-	-

50 Dues to Micro, Small and Medium Enterprises

On the basis of information and records available with the management and confirmation sought by the management from suppliers on their registration with the specified authority under MSMED, there have been no reported cases of delay in payments to Micro, Small and Medium Enterprises or of interest payments due to delay in such payments during the quarters ended June 30, 2022 and June 30, 2021 and years ended March 31, 2022, March 31, 2021 and March 31, 2020.

51 Corporate Social Responsibility

<i>(₹ in millions)</i>					
Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Total amount to be spent for the respective financial year	11.52	7.70	7.70	6.11	5.25
Amount spent during the period	2.90	1.93	7.70	6.15	5.25
Remaining amount to be spent for the financial year	8.62	5.77	-	-	-

The Bank has formulated a trust in the name of Capital Foundation. The CSR expenses are taken care by the Capital Foundation or directly through the Bank. The above expenditure of ₹2.90 million (₹1.93 million for the quarter ended June 30, 2021; ₹7.70 million for the year ended March 31, 2022; ₹6.15 million for the year ended March 31, 2021 and ₹5.25 million for the year ended March 31, 2020) has been contributed to the Capital Foundation Trust during the period or has been spent directly by the Bank.

52 Description of Contingent Liabilities

Particulars	Description
Guarantees given on behalf of constituents in India.	As a part of its commercial banking activities, the Bank issues bank guarantees on behalf of its customers.
Acceptances, endorsements and other obligations.	Includes Letters of credit issued on behalf of the customers that enhances the credit standing of the Bank's customers.
Other items for which Bank is contingently liable.	Includes capital commitments and amount transferred to the RBI under the Depositor Education and Awareness Fund (DEAF).

53 Investor Education and Protection Fund

There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Bank.

54 Other Expenditure

Other expenditure includes amount paid for security & service charges that are exceeding 1% of the total income of the Bank.

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Other Expenditure (Security & Service charges)	-	18.13	65.00	92.27	89.77

55 Payment to Auditors

(₹ in millions)

Particulars	Quarter ended June 30, 2022	Quarter ended June 30, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Audit Fees	0.80	1.00	4.51	4.00	3.40
Other Certificate Fees	-	-	2.90*	0.65	-
Out of Pocket Expenses	-	-	0.50	0.24	1.48

*excludes ₹0.95 million paid on behalf of Selling Shareholders.

OTHER MATERIAL UPDATES

- 1) Subsequent to the filing of the Draft Red Herring Prospectus, there have been the following updates to our Board of Directors: (i) the tenure of Madan Gopal Sharma who was the Part-time Chairman and Independent Director on our Board, has been completed on April 23, 2022 and he has ceased to be a Director on our Board; (ii) Navin Kumar Maini, an Independent Director on our Board, has been appointed as the Part-time Chairman of our Bank for a period of three years with effect from April 24, 2022, pursuant to a resolution passed by our Board on December 9, 2021; (iii) Sarvjit Singh Samra has been reappointed as the Managing Director and Chief Executive Officer of our Bank for a period of three years with effect from April 24, 2022, pursuant to a resolution passed by our Board on November 12, 2021 and a special resolution passed by our Shareholders on March 31, 2022; (iv) Balbir Singh has been appointed as a Non-Executive Director, liable to retire by rotation, nominated by SIDBI on our Board with effect from March 9, 2022, pursuant to a resolution passed by our Board on March 9, 2022 and by our Shareholders on August 5, 2022, in place of Rahul Priyadarshi, who was the earlier nominee director of SIDBI on our Board; and (v) Nageswara Rao Yalamanchili has been appointed as an Independent Director on our Board for a period of five years with effect from June 29, 2022 pursuant to a resolution passed by our Board on June 29, 2022 and by our Shareholders on August 5, 2022. The requisite details in relation to the aforementioned changes, as well as the updated Board shall be disclosed appropriately in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges.
- 2) Subsequent to the filing of the Draft Red Herring Prospectus, the settlement application which was voluntarily filed by our Bank before the SEBI on September 2, 2021 (and physically submitted on September 8, 2021), has been disposed of, and the concerned proceedings have been settled pursuant to a settlement order passed by the SEBI on June 10, 2022. An amount of ₹ 580,000 had been recommended to be paid by our Bank in connection with the settlement, which has been paid by our Bank on April 22, 2022. Further, the compounding application filed with the National Company Law Tribunal, Chandigarh bench has been disposed of pursuant to its order dated November 26, 2021, whereby a compounding fee of ₹ 800,000 was levied on our Bank. The said compounding fee has been paid by our Bank on December 2, 2021. The requisite details in relation to the aforementioned updates shall be disclosed appropriately in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges.
- 3) Pursuant to certain amendments suggested by the RBI pursuant to its email dated February 4, 2022, the articles of association of our Bank were amended, and the amended articles of association of our Bank were approved pursuant to a resolution passed by our Shareholders on March 31, 2022. The requisite details in relation to the aforementioned amendments shall be disclosed appropriately in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations/rules issued by the Government of India or the guidelines/regulations issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Addendum is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR BANK

Navin Kumar Maini

Part-Time Chairman and Independent Director

Place: New Delhi

Date: September 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations/rules issued by the Government of India or the guidelines/regulations issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Addendum is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR BANK

Sarvjit Singh Samra

Managing Director and Chief Executive Officer

Place: Jalandhar

Date: September 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations/rules issued by the Government of India or the guidelines/regulations issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Addendum is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Addendum are true and correct.

SIGNED BY THE DIRECTOR OF OUR BANK

Srinath Srinivasan

Non-Executive Director

Place: Mumbai

Date: September 12, 2022

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR BANK

Mahesh Parasuraman

Non-Executive Director

Place: Bangalore

Date: September 12, 2022

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR BANK

Balbir Singh

Non-Executive Director

Place: Chandigarh

Date: September 12, 2022

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR BANK

Dinesh Gupta

Non-Executive Director

Place: Jalandhar

Date: September 12, 2022

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR BANK

Gurpreet Singh Chug
Independent Director

Place: Jalandhar

Date: September 12, 2022

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR BANK

Harmesh Khanna
Independent Director

Place: Gurugram
Date: September 12, 2022

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR BANK

Rakesh Soni
Independent Director

Place: Ludhiana
Date: September 12, 2022

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR BANK

Gurdeep Singh
Independent Director

Place: Jalandhar
Date: September 12, 2022

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR BANK

Sham Singh Bains
Independent Director

Place: Jalandhar
Date: September 12, 2022

DECLARATION

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SIGNED BY THE DIRECTOR OF OUR BANK

Nageswara Rao Yalamanchili
Independent Director

Place: Mumbai
Date: September 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines/regulations/rules issued by the Government of India or the guidelines/regulations issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Addendum is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Addendum are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR BANK

Munish Jain

Chief Operating Officer and Chief Financial Officer

Place: Jalandhar

Date: September 12, 2022

DECLARATION BY OMAN INDIA JOINT INVESTMENT FUND II

Oman India Joint Investment Fund II hereby confirms that all statements, disclosures and undertakings made or confirmed by it in this Addendum about or in relation to itself, as one of the Investor Selling Shareholders and its portion of the Offered Shares, are true and correct. Oman India Joint Investment Fund II assumes no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Bank or any other Selling Shareholder or any person(s) in this Addendum.

Signed for and on behalf of **Oman India Joint Investment Fund II**

Name: Srinath Srinivasan

Designation: CEO – Oman India Joint Investment Fund Management Company Private Limited

Date: September 12, 2022

Place: Mumbai

DECLARATION BY PI VENTURES LLP

PI Ventures LLP hereby confirms that all statements, disclosures and undertakings made or confirmed by it in this Addendum about or in relation to itself, as one of the Investor Selling Shareholders and its portion of the Offered Shares, are true and correct. PI Ventures LLP assumes no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Bank or any other Selling Shareholder or any person(s) in this Addendum.

Signed for and on behalf of **PI Ventures LLP**

Name: Narayanan Venkitraman

Designation: Authorized Signatory

Date: September 12, 2022

Place: Mumbai

DECLARATION BY AMICUS CAPITAL PRIVATE EQUITY I LLP

Amicus Capital Private Equity I LLP hereby confirms that all statements, disclosures and undertakings made or confirmed by it in this Addendum about or in relation to itself, as one of the Investor Selling Shareholders and its portion of the Offered Shares, are true and correct. Amicus Capital Private Equity I LLP assumes no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Bank or any other Selling Shareholder or any person(s) in this Addendum.

Signed for and on behalf of **Amicus Capital Private Equity I LLP**

Name: Mahesh Parasuraman

Designation: Designated Partner

Date: September 12, 2022

Place: Bangalore

DECLARATION BY AMICUS CAPITAL PARTNERS INDIA FUND I

Amicus Capital Partners India Fund I hereby confirms that all statements, disclosures and undertakings made or confirmed by it in this Addendum about or in relation to itself, as one of the Investor Selling Shareholders and its portion of the Offered Shares, are true and correct. Amicus Capital Partners India Fund I assumes no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Bank or any other Selling Shareholder or any person(s) in this Addendum.

Signed for and on behalf of **Amicus Capital Partners India Fund I**

Name: Mahesh Parasuraman

Designation: Designated Partner

Date: September 12, 2022

Place: Bangalore

DECLARATION BY THE OTHER SELLING SHAREHOLDERS

Each Other Selling Shareholder hereby confirms that all statements, disclosures and undertakings made or confirmed by it in this Addendum about or in relation to itself, as an Other Selling Shareholder and its portion of the Offered Shares, are true and correct. Each Other Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, including any statements made or confirmed by, or relating to, the Bank or any other Selling Shareholder or any person(s) in this Addendum.

For and on behalf of Gurdev Singh Samra (jointly with Balbir Kaur Samra), Rashpal Singh (jointly with Surinder Kaur), Tarlochan Singh Hyare, Avtar Singh Samra (jointly with Rashpal Singh Samra), Manjoo Sardana, Gaurav Goel, Jasvinder Kaur, Darshna Devi, Rekha Jindal, Richa Mahajan, Gurnam Singh (jointly with Bahadur Singh and Amrik Singh), Ramesh Kaur, Parminder Singh, Joginder Singh Dhillon, Vijay Kumar Bhandari (jointly with Sneh Bhandari), Kuldeep Krishan Sardana (jointly with Suman Sardana), Jagjit Singh Shergill, Gurdip Singh Shergill, Nilam Singh Shergill, Anureet Pattar, and Rajinder Kumar Sehgal (jointly with Neelam Sehgal and Akhil Sehgal)

Signed for and on behalf of the Other Selling Shareholders

Name: Amit Sharma

Designation: Company Secretary and Compliance Officer

Date: September 12, 2022

Place: Jalandhar